

**Tong Ming Enterprise Co., Ltd.**  
***The 2023 Annual Meeting of Shareholders***  
***Annual Meeting Agenda***  
***(Translation)***



***TONG***

**Growing a powerful future**



Shareholders meeting will be held by means of: physical  
shareholders meeting

Meeting time :10 am on June 7, 2023

Meeting venue:No. 801, Chongde Road, Zuoying District,  
Kaohsiung  
(The Garden Villa, Kaohsiung  
International Plaza - Room 103)

## Index

Meeting Procedures.....	1
Meeting Agenda.....	2
Report Items.....	3
Proposals.....	3
Discussions.....	4
Elections.....	5
Questions and Motions.....	5

### Attachment:

1. 2022 Business report.....	6
2. Audit Committee' Audit Report.....	9
3. Remuneration to the employees and the directors distribution statement.....	10
4. 2022Accountant Audited Report and Consolidated Financial Statements.....	11
5. Statement of earnings distribution in 2022.....	21
6. Amendment to the "Articles of Association".....	22
7. Amendment to the "Procedures for the Acquisition or Disposal of Assets".....	27
8. Amendment to the "Sustainable Development Best Practice Principles".....	28
9. Amendment to the "Rules of Procedure for Shareholder Meeting".....	29
10. Amendment to the "Revision of Rules on Board Meeting".....	44

### Appendices:

1. "The Company's Articles of Incorporation" (Before amendments).....	48
2. "Procedures for the Acquisition or Disposal of Assets" (Before amendments).....	81
3. "Sustainable Development Best Practice Principles"(Before amendments).....	100
4. "Rules of Procedure for Shareholder Meeting" (Before amendments).....	107
5. "Rules of Rules on Board Meeting" (Before amendments).....	113
6. "Rules of Board Directors' Election".....	119
7. All Directors' Shareholding Status.....	121

# Tong Ming Enterprise Co., Ltd.

## Procedure for the 2023 Annual Meeting of Shareholders

### **Meeting Procedures**

1. Call the Meeting to Order
2. Chairman's Speech
3. Management Presentation (Company Reports)
4. Proposals
5. Discussions
6. Elections
7. provisional motion
8. Adjournment

# **Tong Ming Enterprise Co., Ltd.**

## **The 2023 Annual Meeting of Shareholders**

### **Agenda**

#### **Meeting Agenda**

Time: 10am Wednesday, June 7, 2023

Meeting venue: No. 801, Chongde Road, Zuoying District, Kaohsiung  
(The Garden Villa, Kaohsiung International Plaza - Room 103)

#### **1. Call the Meeting to Order**

#### **2. Chairperson Speech**

#### **3. Company Reports**

**(1) 2022 Business report.**

**(2) The Audit Committee's Report of the Financial Report of 2022**

**(3) Distribution Report of Employees and Board Directors' Compensation of 2022**

#### **4. Proposals**

**(1) Approval of Business Report and Financial Statement of 2022**

**(2) Approval of Net Earning Distribution of 2022**

#### **5. Discussion**

**(1) Amendment to the "Articles of Association"**

**(2) Amendment to the "Procedures for the Acquisition or Disposal of Assets"**

**(3) Amendment to the "Sustainable Development Best Practice Principles"**

**(4) Amendments of "Rules of Procedure for Shareholder Meeting"**

**(5) Amendments of "Revision of Rules on Board Meeting"**

#### **6. Elections**

**(1) By-election of independent directors of the company.**

#### **7. Questions and Motions**

#### **8. Adjournment**

## Report Items

Proposal 1: Please Check the Company's Annual Business Status Report of 2022.

Note: For the 2022 Business Report, please refer to Attachment 1 in this pamphlet.

Proposal 2: Please check the Audited Financial Reports of 2022.

Note: For the Audit Committee Report, please refer to Attachment 2 in this pamphlet.

Proposal 3: Please Check the Distribution Report of Employees and Board Directors' Compensation of 2022.

Note: The Company compensates its employees and Board Directors according to the Articles of Incorporation. For the Distribution Report of Employees and Board Directors' Compensation, please refer to Attachment 3 in this pamphlet.

## Proposals

Proposal 1: Please approve the Company's Annual Business Status Report and Financial Statements of 2022.

(The proposal was submitted by the board of directors.)

- Note:
- (1) The Company's 2022 consolidated financial statements have been audited by independent auditors, Mr.Ming-Chung Hsieh and Ms.Lu I-Chen of Deloitte Taiwan, and along with the Business Report and Net Earning Distribution Report, have been audited by the Audit Committee.
  - (2) Regarding the Business Report, Accountant Audited Report and Consolidated Financial Statements, please refer to Appendix 1 and 4 in this pamphlet.
  - (3) The agenda has been proposed for acknowledgment.

Resolutions:

Proposal 2: Please approve the Net Earning Distribution Report of 2022.

(The proposal was submitted by the board of directors.)

- Note:
- (1) The net profit after tax of 2022 is NT911,222,136 After deducting 10% statutory surplus reserve of NT-91,122,214in accordance with the Articles of Incorporation, and after adding the provisions of special surplus reserve of NT124,408,474,combined with the undistributed surplus of NT1,459,060,068 at the beginning of the period, the total distributable surplus of this year is NT2,402,568,464 Every share is scheduled to receive NT2.0of dividend, and the total amount is NT402,406,666 After the above distribution, the Company will have NT2,001,161,798of surplus. Please refer to Appendix 5 of the pamphlet.
  - (2) The dividend is scheduled to be distributed on July 04, 2023.
  - (3) Should the distribution proportion change because of the change of the number of normal shares, the Shareholder Committee will assign the Chairman to handle all related matters.
  - (4) The agenda has been proposed for acknowledgment.

Resolutions:

## **Discussions**

Proposal 1: Amendment to the "Articles of Association"

(The proposal was submitted by the board of directors.)

Note: Regarding the change of the "Articles of Association", please refer to Appendix 6 in this pamphlet.

Resolutions:

Proposal 2: Amendment to the "Procedures for the Acquisition or Disposal of Assets"

(The proposal was submitted by the board of directors.)

Note: Regarding the change of the "Procedures for the Acquisition or Disposal of Assets" to Appendix 7 in this pamphlet.

Resolutions:

Proposal 3: Amendment to the "Sustainable Development Best Practice Principles"

(The proposal was submitted by the board of directors.)

Note: Regarding the change of the "Code of Practice for Sustainable Development" to Appendix 8 in this pamphlet.

Resolutions:

Proposal 4: Amendment to the "Rules of Procedure for Shareholder Meeting"

(The proposal was submitted by the board of directors.)

Note: Regarding the change of the "Rules of Procedure for Shareholder Meeting" to Appendix 9 in this pamphlet.

Resolutions:

Proposal 5: Amendment to the "Revision of Rules on Board Meeting"

(The proposal was submitted by the board of directors.)

Note: Regarding the change of the "Revision of Rules on Board Meeting" to Appendix 10 in this pamphlet.

Resolutions:

## Elections:

Proposal 1: The by-election of independent directors of the company is hereby submitted for discussion.

(The proposal was submitted by the board of directors.)

Note: (1) Due to heavy personal duties, director Ko Wew-Ling has resigned as director of the Company on 7 June 2023.

(2) In accordance with the law and as required for its practical operation, the Company proposes for one vacancy of independent director to be filled in this general shareholders' meeting under the candidate nomination system. Shareholders should elect such independent director from an independent director candidate list. The newly elected independent director shall serve the term from the date on which the vacancy is filled by this general shareholders' meeting until the expiry of the current term. The term is from 7 June 2023 to 13 June 2025.

(3) Candidates for the Independent Directors have been approved by the Board on April 25, 2019. The list is as below:

Item No	job title	List of candidates	Education Background	Work Experience	Current position	Shares
1	Independent Directors	Chiu, Joun-Fu	MBA, Chang Jung Christian University	Chairman of Dongguan Construction Co., Ltd President of Dongsheng Construction Co., Ltd.	Chairman of Dongguan Construction Co., Ltd	50,000

(4) Please proceed with approval.

Election results:

## Questions and Motions

## Adjournment

**Tong Ming Enterprise Co.,Ltd.**  
**Business Report**

I. The Business Performance of 2022

(1) Achievements following implementation of the business plan

The consolidated revenue of the company in 2022 was NT\$15.4 billion, an increase of 17% compared to 2021. The annual consolidated net income was NT\$900 million, a decrease of about 37% compared to 2021, mainly due to the fluctuation in raw material prices. EPS was NT\$4.53. The business performance of the primary operating units listed in the consolidated financial statements are as follows:

A. Tong Ming Enterprise(Zhejiang )Co.,Ltd.:

1. Overall shipments continued to grow: annual shipments totaled 112,000 tons, representing a slight increase of 1.3%.
2. Shipments of various businesses: domestic sales of fastener products were affected by the pandemic in the first half of the year. However, shipments still increased by 6% and reached 62,000 tons over the year, accounting for 55% of total shipments. Exports of fasteners were mainly affected by the international situation and total shipments amounted to about 21,000 tons; a decrease of about 3%. Total shipments of wire products amounted to about 29,000 tons, a decrease of about 6%, due to the fluctuation in raw material prices.

B. The primary business of both WINLINK FASTENERS CO., LTD. and Tong Win International Co., Ltd. is international trade. Due to the increase in demand of specific regions this year, total revenues increased by 48%.



(2) Analysis of profitability:

Item	2022	2021
Return on Assets%	8.22	15.05
Return on Equity %	15.57	27.02
Net Profit Margin %	5.93	10.94
EPS(NT\$)	4.32	8.00

(3) Product and service research and development:

The company is a professional manufacturer of stainless-steel fasteners. We take steady steps to improve production processes and develop new products. The Sales Channel Department continues to improve shipping efficiency and strengthen value-added services to increase customer satisfaction of the integrated services Tong Ming offers.

(4) Environmental protection and occupational health and safety

Tong Ming Enterprise(Zhejiang )Co.,Ltd, the primary business entity of the company, has obtained ISO14001 and ISO45001 certifications. The occupational health and safety of factory employees is paramount and good conditions were maintained throughout the year. The company also recognizes the importance of environmental protection and carbon reduction. The newly constructed high-tech factory has also adopted high-efficiency production mechanical equipment, complete sewage treatment equipment, and solar power generation equipment.

## II. Overview of the business plan in 2023

(1) Business entity –A.Tong Ming Enterprise(Zhejiang )Co.,Ltd.

The newly constructed high-tech factory is expected to be operational in 2023. To meet increased production capacity, the annual plan for 2023 is as follows:

1. Domestic fastener sales:

The company will continue to improve Tong Ming's e-commerce platform and value-added services to increase self-manufactured standard product sales. Furthermore, we will continue to develop an online platform to sell non-standard products to meet customer needs and increase sales, as well as increase shipments of various value-added services provided on Tong Ming's online marketplace

## 2. Exports of fastener products

In the second half of 2022, the export business was greatly affected by international competition. In 2023, we aim to increase shipments by leverage our manufacturing advantages and providing fast shipping services of our main products.

## 3. Wire products

In the second half of 2022, due to the slowdown in demand, small and medium-sized wire factories gradually exited the market. Companies that can develop this area of their business have an advantage, therefore we will continue to reap the benefit of our production capacity to increase shipments.

### (2) Subsidiaries WINLINK FASTENERS CO., LTD. and Tong Win:

The primary business of the company is the export of fastener products. Although competition in international market is fierce, the company will continue to strengthen cooperation with specific regions and leverage its business relationships with clients in the industry. Our main goal is to maintain market share and stable growth.

In 2023, the global economic uncertainty caused by the turbulent international situations has had an impact on the export market. After the lockdown restrictions were lifted, China's economy started to recover gradually. The business entity of the company is expected to maximize production and shipment efficiency after the new factory is constructed and equipment is introduced. The company will also provide a comprehensive range of fastener products to sell on its e-commerce platform with complete value-added services to create higher value for customers.

Wish you all the best,

Tong Ming Co., Ltd.

Best regards

Chairman: Tsai Ching-Tung

General Manager: Tsai Hung-Chuan

**Attachment 2**

Audit Committee' Audit Report

**Tong Ming Enterprise Co.,Ltd.  
Audit Committee' Review Report**

**Approved**

The Board of Directors has submitted the Company's 2022 Annual Business Report and Consolidated Financial Statements. The Consolidated Financial Statements have been audited by Certified Public Accountants Ming-Chung Hsieh and I-Chen Lu of Deloitte Taiwan, and an audit report has been issued. Please check the fact that the list the Board of Directors has submitted has been verified by the Audit Committee, and is considered to be consistent with Article 14(4) of the Securities and Exchange Act and Article 219 of the Company Act.

To:

2023Annual General Meeting

Convener of the Audit Committee: Wang , Shin-Kun

March 14, 2023

### **Attachment 3**

Remuneration to the employees and the directors distribution statement

#### **Tong Ming Enterprise Co.,Ltd.**

Remuneration to the employees and the directors distribution statement

1. In accordance with the Articles of Incorporation, if there is any profit at the end of the fiscal year, 0.000 to 0.001 shall be allocated to employees' compensation, and no more than 5% of the aforementioned profit shall be allocated to Directors' compensation.
2. The profit of this fiscal year is NT911,222,136
3. In accordance with the Articles of Incorporation, the profit allocated to employees this fiscal year is 0.
4. In accordance with the Articles of Incorporation, the profit allocated to Directors this fiscal year is NT840,000, which is about 0.092% of the profit of this fiscal year.

## **Attachment 4**

### **INDEPENDENT AUDITORS' REPORT**

### **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Tong Ming Enterprise Co., Ltd.

#### **Opinion**

We have audited the accompanying consolidated financial statements of Tong Ming Enterprise Co., Ltd. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, 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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 Accountant 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 judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group’s consolidated financial statements for the year ended December 31, 2022 are stated as follows:

#### The Occurrence of Tong Ming Enterprise (Zhejiang)’s Export Sales

The Group’s subsidiary Tong Ming Enterprise (Zhejiang) Co., Ltd. (referred to as the “Tong Ming (Zhejiang)”) is the main entity of the Group. The sales revenue of Tong Ming (Zhejiang) accounted for 79% of the Group’s sales revenue while its overall export sales revenue accounted for 21%. Because the export shipping schedule is relatively long, there is difficulty in managing the sailing date, voyage and goods obligation. Therefore, we identified the occurrence of export sales’ free onboard delivery conditions of Tong Ming Enterprise (Zhejiang) at the destination to be a key audit matter. Refer to Note 4 to the consolidated financial statements for details on revenue recognition.

The main audit procedures that we performed in respect of revenue recognition included the following:

1. We obtained an understanding of the internal controls and tested the design and operating effectiveness of the key controls over the occurrence of revenue recognition.
2. We selected samples from the list of free onboard destination export sales details, verified the related traded documents such as shipments and cash receipts, and confirmed the occurrence of revenue.

#### **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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

#### **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 judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ming-Chung Hsieh and I-Chen Lu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 28, 2023

Notice to Readers

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

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*



# TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Note 6)	\$ 1,651,006	12	\$ 1,695,818	14
Financial assets at fair value through profit or loss - current (Notes 7 and 27)	242,440	2	309,855	3
Financial assets at amortized cost - current (Note 9)	25,046	-	172,183	1
Notes receivable, net (Notes 10, 21 and 28)	293,437	2	557,620	5
Accounts receivable, net (Notes 10, 21 and 28)	2,257,635	17	2,236,455	19
Other receivables (Note 28)	45,009	-	81,594	1
Current tax assets (Note 23)	45,623	-	-	-
Inventories (Note 11)	5,596,447	41	4,628,149	39
Prepayments to suppliers (Note 16)	377,965	3	190,198	1
Prepayments (Notes 16 and 28)	84,212	1	34,447	-
Other current assets	3,239	-	65	-
Total current assets	<u>10,622,059</u>	<u>78</u>	<u>9,906,384</u>	<u>83</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 27)	99,502	1	42,000	-
Investments accounted for using the equity method (Note 13)	43,118	-	33,541	-
Property, plant and equipment (Note 14)	2,156,834	16	1,484,481	13
Right-of-use assets (Note 15)	160,168	1	175,200	2
Other intangible assets	43,740	1	46,550	-
Deferred tax assets (Note 23)	34,372	-	26,474	-
Prepayments for equipment (Note 16)	369,665	3	167,107	2
Refundable deposits	2,474	-	2,602	-
Other non-current assets	1,659	-	2,249	-
Total non-current assets	<u>2,911,532</u>	<u>22</u>	<u>1,980,204</u>	<u>17</u>
<b>TOTAL</b>	<u>\$ 13,533,591</u>	<u>100</u>	<u>\$ 11,886,588</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 17 and 28)	\$ 3,537,589	26	\$ 2,764,530	23
Financial liabilities at fair value through profit or loss - current (Notes 7 and 27)	428	-	-	-
Contract liabilities - current (Note 21)	130,830	1	163,728	2
Notes payable	1,067	-	11,077	-
Accounts payable (Notes 18 and 28)	611,764	5	499,745	4
Other payables (Note 19)	378,206	3	350,482	3
Current tax liabilities (Note 23)	11,946	-	124,404	1
Lease liabilities - current (Notes 15 and 28)	9,571	-	12,758	-
Current portion of long-term borrowings (Note 17)	1,016,044	7	56,472	1
Other current liabilities	272	-	713	-
Total current liabilities	<u>5,697,717</u>	<u>42</u>	<u>3,983,909</u>	<u>34</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Note 17)	443,274	4	1,005,671	8
Deferred tax liabilities (Note 23)	429,543	3	343,589	3
Lease liabilities - non-current (Notes 15 and 28)	3,636	-	13,031	-
Other non-current liabilities	24,789	-	-	-
Total non-current liabilities	<u>901,242</u>	<u>7</u>	<u>1,362,291</u>	<u>11</u>
Total liabilities	<u>6,598,959</u>	<u>49</u>	<u>5,346,200</u>	<u>45</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)</b>				
Share capital	2,012,033	15	2,012,033	17
Capital surplus	1,827,423	13	1,827,423	15
Retained earnings				
Legal reserve	578,450	4	434,135	4
Special reserve	259,143	2	234,646	2
Unappropriated earnings	2,370,284	18	2,271,724	19
Total retained earnings	3,207,877	24	2,940,505	25
Exchange differences on translation of the financial statements of foreign operations	(134,736)	(1)	(259,144)	(2)
Total equity attributable to owners of the Company	6,912,597	51	6,520,817	55
<b>NON-CONTROLLING INTERESTS</b>	<u>22,035</u>	<u>-</u>	<u>19,571</u>	<u>-</u>
Total equity	<u>6,934,632</u>	<u>51</u>	<u>6,540,388</u>	<u>55</u>
<b>TOTAL</b>	<u>\$ 13,533,591</u>	<u>100</u>	<u>\$ 11,886,588</u>	<u>100</u>

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

# TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Notes 21, 28 and 35)	\$ 15,428,409	100	\$ 13,235,516	100
OPERATING COSTS				
Cost of goods sold (Notes 11, 22 and 28)	<u>(13,416,559)</u>	<u>(87)</u>	<u>(10,534,526)</u>	<u>(80)</u>
GROSS PROFIT	<u>2,011,850</u>	<u>13</u>	<u>2,700,990</u>	<u>20</u>
OPERATING EXPENSES (Notes 22 and 28)				
Selling and marketing expenses	(539,688)	(4)	(504,303)	(4)
General and administrative expenses	(270,082)	(2)	(207,626)	(1)
Research and development expenses	(22,461)	-	(22,910)	-
Expected credit loss	<u>(3,371)</u>	<u>-</u>	<u>(1,874)</u>	<u>-</u>
Total operating expenses	<u>(835,602)</u>	<u>(6)</u>	<u>(736,713)</u>	<u>(5)</u>
PROFIT FROM OPERATIONS	<u>1,176,248</u>	<u>7</u>	<u>1,964,277</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES (Notes 22 and 28)				
Interest income	12,160	-	11,143	-
Other income	36,093	-	5,427	-
Other gains and losses	52,260	1	(60,446)	-
Finance costs	(162,923)	(1)	(141,174)	(1)
Share of profit of associates and joint ventures	<u>9,119</u>	<u>-</u>	<u>13,419</u>	<u>-</u>
Total non-operating income and expenses	<u>(53,291)</u>	<u>-</u>	<u>(171,631)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX	1,122,957	7	1,792,646	14
INCOME TAX EXPENSE (Note 23)	<u>(208,527)</u>	<u>(1)</u>	<u>(344,734)</u>	<u>(3)</u>
NET PROFIT FOR THE YEAR	<u>914,430</u>	<u>6</u>	<u>1,447,912</u>	<u>11</u>

(Continued)

# TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
<b>OTHER COMPREHENSIVE LOSS</b>				
Items that will not be reclassified subsequently to profit or loss:				
Exchange differences arising on translation to the presentation currency	\$ 156,608	1	\$ (20,500)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>(32,943)</u>	<u>-</u>	<u>(4,286)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>123,665</u>	<u>1</u>	<u>(24,786)</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>\$ 1,038,095</u>	<u>7</u>	<u>\$ 1,423,126</u>	<u>11</u>
<b>NET PROFIT ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 911,223	6	\$ 1,443,154	11
Non-controlling interests	<u>3,207</u>	<u>-</u>	<u>4,758</u>	<u>-</u>
	<u>\$ 914,430</u>	<u>6</u>	<u>\$ 1,447,912</u>	<u>11</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 1,035,631	7	\$ 1,418,656	11
Non-controlling interests	<u>2,464</u>	<u>-</u>	<u>4,470</u>	<u>-</u>
	<u>\$ 1,038,095</u>	<u>7</u>	<u>\$ 1,423,126</u>	<u>11</u>
<b>EARNINGS PER SHARE (Note 24)</b>				
Basic	<u>\$ 4.53</u>		<u>\$ 8.00</u>	
Diluted	<u>\$ 4.53</u>		<u>\$ 7.77</u>	

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

(Concluded)

**TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company							Total	Non-controlling Interests	Total Equity	
	Share Capital			Retained Earnings		Unappropriated Earnings	Other Equity Differences on Translation of the Financial Statements of Foreign Operations				
	Shares (In Thousands)	Amount	Capital Surplus	Reserve	Special Reserve						
BALANCE AT JANUARY 1, 2021	168,000	\$ 1,680,000	\$ 916,905	\$ 384,779	\$ 282,190	\$ 1,132,782	\$ (234,646)	\$ 4,162,010	\$ 15,101	\$ 4,177,111	
Appropriation of 2020 earnings Reserve	-	-	-	49,356	-	(49,356)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(302,400)	-	(302,400)	-	-	(302,400)
Special reserve	-	-	-	-	(47,544)	47,544	-	-	-	-	-
Issuance of ordinary shares for cash	30,000	300,000	780,000	-	-	-	-	1,080,000	-	-	1,080,000
Recognition of employee share options by the Company	-	-	3,435	-	-	-	-	3,435	-	-	3,435
Transaction costs attributable to issue of new ordinary shares	-	-	(2,820)	-	-	-	-	(2,820)	-	-	(2,820)
Net profit for the year ended December 31, 2021	-	-	-	-	-	1,443,154	-	1,443,154	4,758	4,758	1,447,912
Other comprehensive loss for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	-	(24,498)	(288)	(288)	(24,786)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	1,443,154	-	1,418,656	4,470	4,470	1,423,126
Convertible bonds converted to ordinary shares	3,203	32,033	129,903	-	-	-	-	161,936	-	-	161,936
BALANCE AT DECEMBER 31, 2021	201,203	2,012,033	1,827,423	434,135	234,646	2,271,724	(259,144)	6,520,817	19,571	6,540,388	
Appropriation of 2021 earnings Reserve	-	-	-	144,315	-	(144,315)	-	-	-	-	-
Special reserve	-	-	-	(24,497)	24,497	(24,497)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(643,851)	-	(643,851)	-	-	(643,851)
Net profit for the year ended December 31, 2022	-	-	-	-	-	911,223	-	911,223	3,207	3,207	914,430
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	124,408	124,408	(743)	(743)	123,665
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	911,223	-	1,035,631	2,464	2,464	1,038,095
BALANCE AT DECEMBER 31, 2022	201,203	2,012,033	1,827,423	578,450	259,143	2,370,284	(134,736)	6,912,597	22,035	6,934,632	

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

# TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 1,122,957	\$ 1,792,646
Adjustments for:		
Depreciation expense	187,645	169,109
Amortization expense	6,755	5,770
Expected credit loss recognized on accounts receivable	3,371	1,874
Net loss (gain) on fair value changes of financial assets designated as at fair value through profit or loss	11,780	(4,385)
Interest expense	162,923	141,174
Interest income	(12,160)	(11,143)
Share-based compensation	-	3,435
Share of (profit) loss of associates and joint ventures	(9,119)	(13,419)
Loss on disposal of property, plant and equipment	321	1,081
Recognition (reversal) of inventory write-downs	12,620	(26,080)
Changes in operating assets and liabilities		
Notes receivable	265,091	(209,271)
Accounts receivable	(25,399)	(589,343)
Other receivables	37,091	(56,688)
Inventories	(980,508)	(1,610,020)
Prepayments	(237,532)	(22,969)
Other current assets	(3,046)	(65)
Contract liabilities	(32,898)	92,606
Notes payable	(10,010)	(8,078)
Accounts payable	112,019	242,408
Deferred revenue	24,789	-
Other payables	26,424	95,130
Other current liabilities	(441)	451
Cash generated from operations	662,673	(5,777)
Income tax paid	(293,051)	(125,183)
Net cash (used in) generated from operating activities	<u>369,622</u>	<u>(130,960)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(57,502)	(42,000)
Proceeds from sale of financial assets at amortized cost	147,137	-
Purchase of financial assets at amortized cost	-	(18,041)
Purchase of financial assets at fair value through profit or loss	(1,058,545)	(1,257,733)
Proceeds from sale of financial assets at fair value through profit or loss	1,119,251	1,223,818
Payments for property, plant and equipment	(704,858)	(595,812)
Proceeds from disposal of property, plant and equipment	1,124	2,425
Refundable deposits	(128)	3,537
Payments for intangible assets	(3,264)	(14,254)
Payment for right-of-use assets	-	(118,065)

(Continued)

# TONG MING ENTERPRISE CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Increase in other non-current assets	\$ -	\$ (495)
Decrease in other non-current assets	718	-
Increase in prepayments for equipment	(313,895)	(115,414)
Interest received	<u>11,654</u>	<u>11,281</u>
Net cash used in investing activities	<u>(858,308)</u>	<u>(920,753)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	773,059	565,087
Repayments of bonds	-	(258,300)
Proceeds from long-term borrowings	397,175	-
Repayments of long-term borrowings	-	(119,648)
Repayment of the principal portion of lease liabilities	(18,401)	(17,855)
Dividends paid to owners of the Company	(643,851)	(302,400)
Issuance of ordinary shares for cash	-	1,077,180
Interest paid	<u>(164,702)</u>	<u>(135,526)</u>
Net cash generated from financing activities	<u>343,280</u>	<u>808,538</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>100,594</u>	<u>(6,711)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(44,812)	(249,886)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,695,818</u>	<u>1,945,704</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,651,006</u>	<u>\$ 1,695,818</u>

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

(Concluded)

Attachment 5

Statement of earnings distribution in 2022

Tong Ming Enterprise Co.,Ltd.  
The 2022 Statement of Retained Earnings

<u>Item</u>	Unit: NTD <u>Amount</u>
Opening undistributed earnings	\$ 1,459,060,068
Add: Net income	911,222,136
Add: transfer of special reserve	124,408,474
Less: Reference to statutory surplus	-91,122,214
Current distributable earnings	<u>2,403,568,464</u>
Less: Distribution	
Shareholder dividends – cash (NTD2.0 per share)	<u>-402,406,666</u>
Closing undistributed earnings	<u>\$ 2,001,161,798</u>

Chairman: Tsai Ching-Tung    Manager: Tsai Hung-Chuan    Head of Accountant: Yen Hsien-Ying

Explanation:

1. In accordance with the Articles of Incorporation, if there is a surplus at the end of the fiscal year, the surplus shall first pay tax and make up for the previous losses, and then reserves for the statutory surplus reserve and special surplus reserve.
2. The reversal of special reserve represents the conversion difference resulting from the translation of the financial statements of foreign operating companies.
3. Shareholder Dividend – cash: NT402,406,666 (NT2.0 x 201,203,333 shares)

Attachment 6  
The Comparison Table of “Articles of Association”

**Tong Ming Enterprise Co., Ltd.**  
**Comparison Table for ARTICLES OF ASSOCIATION**

No.	Current Provisions	Proposed Amendments	Explanations
Article 27	During the Relevant Period, all general meetings shall be held in the R.O.C. . At any time other than during the Relevant Period, the Board may convene any general meeting at such place as it deems fit.	During the Relevant Period, all general meetings <b>to be held in physical locations</b> shall be held in the R.O.C. . At any time other than during the Relevant Period, the Board may convene any general meeting at such place as it deems fit.	In order to cooperate with the Taiwan Stock Exchange on March 11, 2022, the Taiwan Securities Shangerzi No. 1111700674 has amended the "Form for the Protection of Shareholders' Rights and Interests of Foreign Issuers" (hereinafter referred to as the "2022 Checklist for the Protection of Shareholders' Rights and Interests"), amending the provisions of Article 27.
Article 32	During the Relevant Period, the Company shall prepare a manual for each general meeting, and such manual and relevant materials shall be published on the website designated by the Commission and the Emerging Market , the TPEX or the TWSE (where applicable) twenty-one (21) days prior to the scheduled date of the relevant annual general meeting and fifteen (15) days prior to the scheduled date of the relevant extraordinary general meeting pursuant to the Applicable Listing Rules.	During the Relevant Period, the Company shall prepare a manual for each general meeting, and such manual and relevant materials shall be published on the website designated by the Commission and the Emerging Market , the TPEX or the TWSE (where applicable) twenty-one (21) days prior to the scheduled date of the relevant annual general meeting and fifteen (15) days prior to the scheduled date of the relevant extraordinary general meeting pursuant to the Applicable Listing Rules. <b><u>However, in the event the Company's total paid-in capital as of the close of the most recent financial year reaches NT\$10 billion or more, or when the aggregate number of Shares held by the foreign investors and Mainland Chinese investors reached thirty percent (30%) or</u></b>	In order to meet the requirements of the 2022 Checklist for the Protection of Shareholders' Rights and Interests, the proviso of Article 32 is added.



No.	Current Provisions	Proposed Amendments	Explanations
Article 34	Items (2) and (3) are updated.	<p><u>more as recorded in the Register at the time of holding of the general meeting in the most recent financial year, the Company shall upload the electronic files of the abovementioned manual and relevant materials thirty (30) days prior to the scheduled date of the relevant annual general meeting.</u></p> <p><u>(2) When a general meeting is held, a Member may participate in the general meeting through the medium of video conference call or any other form of communications designated and announced by the competent authority set forth in the Company Act of the R.O.C.; provided that in case of calamities, unforeseen incidents, or force majeure, the competent authority set forth in the Company Act of the R.O.C. may announce and designate that during a prescribed period the Company shall hold a general meeting by means of video conference call or any other form of communications without regard to lack of express provisions in these Articles. A Member participating in this way is deemed to be present in person at the general meeting.</u></p> <p><u>(3) With respect to participation of a general meeting through the medium of video conference call referred to in the preceding Paragraph, the Company shall comply with the conditions, operating procedures and other matters prescribed by the Applicable Listing Rules.</u></p>	<p>In order to provide shareholders with a convenient channel to participate in the shareholders' meeting, refer to the content of the 2022 Shareholders' Rights and Interests Protection Checklist, and add Article 34 (2) and (3), stipulating that video conferencing or other methods approved by the company law of the Republic of China To convene a general meeting of shareholders in the manner specified by the announcement of the agency, the original Article 34 and this article shall be adjusted to Article 34, Item (1).</p>

No.	Current Provisions	Proposed Amendments	Explanations
Article 43	<p>(3) Without prejudice to the Law, <u>in the event the Company and a Member making a request</u> pursuant to Paragraph (2) of this Article fail to reach an agreement on the purchase price within sixty (60) days following the date of the resolution, the Company shall, within thirty (30) days after such sixty (60) days period, file a petition against all Members who fail to reach such an agreement (collectively, the "<b>Dissenting Members</b>") with the R.O.C. Courts for a ruling on the appraisal price, and may designate Taipei District Court of the R.O.C.as the court of first instance.</p>	<p>(3) Without prejudice to the Law, a Member who <u>votes against or waives his voting right at the meeting may request the Company to repurchase all of his Shares</u> pursuant to Paragraph (2) of this Article. <u>In the event the Company and such Member fail to reach an agreement on the purchase price within sixty (60) days following the date of the resolution, the Company shall, within thirty (30) days after such sixty (60) days period, file a petition against all Members who fail to reach such an agreement (collectively, the "Dissenting Members") with the R.O.C. Courts for a ruling on the appraisal price, and may designate Taipei District Court of the R.O.C.as the court of first instance.</u> <u>Any and all votes waived by a Member referred to in this Paragraph shall not be counted toward the number of votes represented by the Members present at a general meeting.</u></p>	<p>In order to cooperate with the Taiwan Stock Exchange's announcement on January 9, 2023, the "Form for the Protection of Shareholders' Rights and Interests in the Country of Registration of Foreign Issuers" (hereinafter referred to as the "2023 Checklist for the Protection of Shareholders' Rights and Interests"), to amend Article 43(3).</p>
Article 59	<p>(1) The Board shall consist of not less than five (5) Directors (including Independent Directors). Subject to the foregoing, the number of Directors to be elected and hold the office shall be stated in the notice of the general meeting in which an election of Directors will be held.</p>	<p>(1) The Board shall consist of not less than five (5) Directors <u>or more than nine (9) Directors</u> (including Independent Directors). Subject to the foregoing, the number of Directors to be elected and hold the office shall be stated in the notice of the general meeting in which an election of Directors will be held.</p>	<p>In order to meet the company's operational needs, the provisions of Article 59 (1) are revised.</p>

No.	Current Provisions	Proposed Amendments	Explanations
Article 68	<p>During the Relevant Period, the number of Independent Directors of the Company shall not be less than three (3) or one-fifth of the total number of Directors at any time, whichever is greater. Two (2) of the Independent Directors shall have resident status of the R.O.C. (such resident status being registered with local government authorities). Subject to the foregoing, the number of Independent Directors to be elected and hold the office shall be stated in the notice of the general meeting in which an election of Independent Directors will be held. When an Independent Director ceases to act, resulting in a number of Independent Directors then in office lower than the prescribed minimum number, an election for an Independent Director shall be held at the next general meeting. When all Independent Directors cease to act, the Company shall convene an extraordinary general meeting to hold an election of Independent Directors within sixty (60) days from the date on which the situation arose.</p>	<p><b><u>(1)</u></b> During the Relevant Period, the number of Independent Directors of the Company shall not be less than three (3) or one-fifth of the total number of Directors at any time, whichever is greater. Two (2) of the Independent Directors shall have resident status of the R.O.C. (such resident status being registered with local government authorities) <b><u>PROVIDED HOWEVER that the number of Independent Directors of the Company shall not be less than four (4) when the Chairman is also the general manager or holds an office equivalent to the general manager or when a spousal relationship or a familial relationship within the first degree of kinship as defined under the Civil Code of Taiwan exists between the Chairman and the general manager of the Company or between the Chairman and an officer equivalent to the general manager of the Company.</u></b></p> <p><b><u>(2)</u></b> Subject to the foregoing, the number of Independent Directors to be elected and hold the office shall be stated in the notice of the general meeting in which an election of Independent Directors will be held. When an Independent Director ceases to act, resulting in a number of Independent Directors then in office lower than the prescribed minimum number, an election for an Independent Director shall be held at the next general meeting. When all Independent Directors cease to act, the Company shall convene an extraordinary general meeting to hold an election of Independent Directors within sixty (60) days from the date on which the situation arose.</p>	<p>In order to comply with the provisions of Item 2 of Article 4 of the "Main Points to be Followed in the Establishment and Exercise of Powers of the Board of Directors of Taiwan Stock Exchange Corporation Listed Companies", it is specified that the chairman and the general manager or those with equivalent positions are the same person or are each other's spouse or the same person. For first-degree relatives, the number of independent directors shall not be less than four, and the former and latter paragraphs of Article 68 shall be adjusted to Article 68 (1) and (2) respectively.</p>

No.	Current Provisions	Proposed Amendments	Explanations
Article 82	<p>A Director who is in any way, whether directly or indirectly, interested in a matter discussed, considered or proposed in a meeting of the Board shall declare the nature of his interest and its essential contents at such relevant meeting. When the Company conducts any Spin-Off, Consolidation, Merger, or acquisition, a Director who bears any interest in the transaction shall explain the essential contents of such personal interest and the reason of approval or disapproval of the resolution in connection with the transaction in a meeting of the Board and the general meeting of the Company.</p>	<p>A Director who is in any way, whether directly or indirectly, interested in a matter discussed, considered or proposed in a meeting of the Board shall declare the nature of his interest and its essential contents at such relevant meeting. When the Company conducts any Spin-Off, Consolidation, Merger, or acquisition, a Director who bears any interest in the transaction shall explain the essential contents of such personal interest and the reason of approval or disapproval of the resolution in connection with the transaction in a meeting of the Board and the general meeting of the Company. <b><u>The Company shall specify in the notice of general meeting with descriptions of the essential contents of a Director's personal interest and the reason of approval or disapproval of the resolution in connection with the transaction. The essential contents may be posted on the website designated by the R.O.C. competent authorities or the Company, and such website shall be indicated in the above notice.</u></b> Where the spouse, a blood relative within the second degree of kinship of a Director as defined under the Civil Code of Taiwan, or any company which has a controlling or subordinate relation with a Director bear any interest in the matter under discussion at a Board meeting, such Director shall be deemed to bear a personal interest in the matter. Any Director who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a meeting of Board shall abstain from voting, on his own behalf or as a proxy or corporate representative, with respect to the said matter. Any and all votes cast by such Director(s) shall not be counted in determining the number of votes for or against such matter.</p>	<p>In order to meet the requirements of the 2023 Checklist for the Protection of Shareholders' Rights and Interests, the provisions of Article 82 are revised.</p>

\*The revised memorandum of association and articles of association of the company shall be subject to the English version; if it is only the errata of the memorandum of association and articles of association of the company, the updated version of the company law of the British Cayman Islands cited, and the code correction does not involve substantial changes, or It is only for the text adjustment of the Chinese translation and will not be listed.

**Tong Ming Enterprise Co., Ltd.****Amendment to the "Procedures for the Acquisition or Disposal of Assets**

Revision date: February 9 2023

Amendment	current provision	illustrate
<p>4.8.1.5.2 Determination of total and individual contract total loss limit</p> <ol style="list-style-type: none"> <li>1. Such hedge transaction is to avoid risk, and the stop loss limit is set at 10% of the hedged position.</li> <li>2. For special-purpose contracts, a stop-loss threshold shall be set as soon as the position is built up, and thereby prevent excessive loss. The stop-loss threshold shall be set no more than 10% of the contract sum. Losses that amount to more than 10% of the contract sum shall be immediately reported to the General Manager, and subsequently reported to the Chairman and the Board of Directors to discuss responsive measures.</li> <li>3. Each contract of special purposes transaction may not lose more than USD40,000 or 10% of the New Taiwan dollar transaction, whichever is lower.</li> <li>4. Losses on special-purpose transactions shall be capped at US\$300,000 per year</li> <li>5. Applies to individual contracts and all contracts.</li> </ol>	<p>4.8.1.5.2 Setting of loss limit</p> <p>——Such hedge transaction is to avoid risk, and the stop loss limit is set at 10% of the hedged position.</p> <p>——For special-purpose contracts, a stop-loss threshold shall be set as soon as the position is built up, and thereby prevent excessive loss. The stop-loss threshold shall be set no more than 10% of the contract sum. Losses that amount to more than 10% of the contract sum shall be immediately reported to the General Manager, and subsequently reported to the Chairman and the Board of Directors to discuss responsive measures.</p> <p>——Each contract of special purposes transaction may not lose more than USD40,000 or 10% of the New Taiwan dollar transaction, whichever is lower.</p> <p>——Losses on special-purpose transactions shall be capped at US\$300,000 per year</p>	<p>In order to meet the needs of practical operation, it shall be revised.</p>

Attachment 8  
 Amendment to the "Sustainable Development Best Practice Principles"

**Tong Ming Enterprise Co., Ltd.**  
**Amendment to the " Sustainable Development Best Practice Principles "**

Revision date: February 9 2023

Corrected name	current name	illustrate
Article 27-1 The company should continue to pour resources into cultural and artistic activities or cultural and creative industries through donation, sponsorship, investment, procurement, strategic cooperation, corporate voluntary technical services or other support modes to promote cultural development.	This article adds	In order to encourage enterprises to support cultural and artistic activities and promote sustainable cultural development, it is updated ◦

**Tong Ming Enterprise Co., Ltd.**  
**Amendment to the "Rules of Procedure for Shareholder Meeting"**

Revision date: October 26, 2022

Corrected name	current name	illustrate
<p>4.1.1  <u>Changes in the method of convening the shareholders' meeting of the company shall be resolved by the board of directors, and shall be implemented no later than the dispatch of the notice of the shareholders' meeting.</u>            Thirty days before the regular shareholders' meeting or fifteen days before the extraordinary shareholders' meeting, the company shall submit the notice of the shareholders' meeting, the paper of the power of attorney, the relevant proposals for recognition, discussion, election or dismissal of directors, supervisors, and other proposals. The case and explanatory materials are made into electronic files and sent to the Public Information Observation Station. And 21 days before the regular shareholders' meeting or 15 days before the extraordinary shareholders' meeting, the shareholders' meeting manual and meeting supplementary materials, make electronic files and send them to the public information observation station. If the amount reaches NT\$10 billion or more, or if the shareholders' list of shareholders held a regular meeting in the most recent fiscal year and the total shareholding ratio of foreign capital and mainland capital reaches 30% or more, the e-mail should be opened 30 days before the regular shareholders' meeting is completed. File transfer. Fifteen days before the shareholders' meeting, prepare the manual of the shareholders' meeting and supplementary materials for the meeting for shareholders to request at any time, and display them in the company and the professional stock affairs agency appointed by the company.</p>	<p>This article adds</p>	<ol style="list-style-type: none"> <li>1. The first item, the original third item to the tenth item have not been amended.</li> <li>2. In order for shareholders to be aware of the change in the method of convening the shareholders' meeting, the change in the method of convening the shareholders' meeting shall be resolved by the board of directors, and shall be implemented at the latest before the notice of the shareholders' meeting is dispatched. Paragraph 2 is added.</li> <li>3. In accordance with Article 6 of the Measures for Recording and Complying Matters in the Handbook of Shareholders' Meetings of Publicly Issued Companies revised and issued on December 16, 2010, the paid-in capital of listed OTC companies at the end of the most recent fiscal year shall be regulated to NT\$1 If the total shareholding ratio of foreign capital and mainland capital is more than 30% as recorded in the shareholder list of the regular shareholders meeting held in the most recent fiscal year, in order to enable the foreign capital and mainland capital shareholders to read the relevant information of the shareholders meeting as soon as possible. The information shall be transmitted in the pre-opened electronic file 30 days before the regular meeting of shareholders, in order to cooperate with the amendment to the third item. In response to open and public offering companies that can hold shareholders' meetings via video, the company has physical shareholders' meetings and holds shareholders' meetings in different ways through video conferences. For the benefit of shareholders, no matter whether they are participating in the physical shareholder meeting or participating in the form of video, they can refer to the shareholder meeting manual and supplementary materials on the day of the shareholder meeting. The second item is amended and the fourth item is added.</li> </ol>

Corrected name	current name	illustrate
<p><u>On the day of the shareholders' meeting, the company shall provide shareholders with reference to the procedure manual and meeting supplementary materials mentioned in the preceding paragraph in the following manner:</u></p> <p><u>1. When the physical shareholders' meeting is held, it shall be issued on the spot of the shareholders' meeting.</u></p> <p><u>2. When convening a video-assisted shareholders' meeting, it shall be issued at the site of the shareholders' meeting and sent to the video conference platform as an electronic file.</u></p> <p><u>When convening a video conference, the electronic file shall be sent to the video conference platform.</u></p>		
<p>4.1.2 Shareholders may, at each shareholders' meeting, issue a power of attorney issued by the company, specifying the scope of authorization, and entrust a proxy to attend the shareholders' meeting. A shareholder shall issue a power of attorney, limited to one person, and shall deliver it to the company five days before the shareholders' meeting. If there are duplicate powers of attorney, the one delivered first shall prevail. However, this does not apply to those entrusted before the declaration is revoked. After the power of attorney is delivered to the company, if the shareholder wishes to attend the shareholders' meeting in person or exercise voting rights in writing or electronically, he or she shall notify the company in writing of the cancellation of the proxy two days before the shareholders' meeting; The voting rights exercised by the person present shall prevail. After the power of attorney is delivered to the company,</p>	<p>This article adds</p>	<p>1. Items 1 to 3 have not been amended. If a shareholder entrusts a proxy to attend the shareholders' meeting, after the power of attorney is delivered to the company, if the shareholder intends to attend the shareholders' meeting via video conference, he shall notify the company in writing of the cancellation of the proxy two days before the shareholders' meeting. Paragraph 4 is added.</p>



Corrected name	current name	illustrate
<p>shareholders wishing to attend the shareholders' meeting by videoconference shall notify the company in writing of the cancellation of the proxy two days before the shareholders' meeting.</p>		
<p>4.2 Regarding the principles of the venue and time of the Shareholders' Meeting, the venue of the Shareholders' Meeting shall be in the Republic of China and suitable for convening the Shareholders' Meeting, and the Meeting may not start earlier than 9 am or later than 3 pm. The venue and the time shall fully consider the Independent Directors' opinions <u>When the company holds a video-conference shareholders meeting, it is not subject to the restriction on the venue of the preceding paragraph.</u></p>	<p>4.2 Regarding the principles of the venue and time of the Shareholders' Meeting, the venue of the Shareholders' Meeting shall be in the Republic of China and suitable for convening the Shareholders' Meeting, and the Meeting may not start earlier than 9 am or later than 3 pm. The venue and the time shall fully consider the Independent Directors' opinions</p>	<p>The current provisions are moved to the first item, and the content has not been amended. The second item is added to clarify that when the company holds a video-conference shareholders meeting, it is not restricted by the meeting place.</p>
<p>4.3.5 (Preparation of signature book and other documents) The Company shall specify in the notice of the meeting the time and place of registration of the accepting shareholders, solicitors, and authorized agents (hereinafter referred to as "shareholders"), and other matters to be noted. The time for accepting shareholder registration in the preceding paragraph shall be handled at least 30 minutes before the meeting starts; the registration office shall be clearly marked, and adequate and competent personnel shall be assigned to handle it; the shareholders meeting video meeting shall be held 30 minutes before the meeting starts at the shareholders meeting. The meeting platform accepts registration, and shareholders who complete the registration are deemed to have attended the shareholders' meeting in person.</p>	<p>This article adds</p>	<ol style="list-style-type: none"> <li>1. Items 4 to 6 have not been amended.</li> <li>2. Paragraph 2 is amended to clarify the time and procedures for the registration of shareholders attending via video conference.</li> <li>3. Cooperate with the abbreviation of shareholders as stipulated in item 1, and item 3 shall be amended.</li> <li>4. Shareholders who intend to attend the shareholders' meeting via video conference shall register with the company two days before the shareholders' meeting, and item 7 is added.</li> </ol> <p>In order to enable shareholders attending via video conference to read relevant materials such as the agenda manual and annual report, the company shall upload them to the video conferencing platform of the shareholders meeting, and the eighth item is added.</p>

Corrected name	current name	illustrate
<p><u>4.3.6</u>  <u>If the shareholders' meeting is held by video conference, shareholders who wish to attend by video conference shall register with the company two days before the shareholders' meeting.</u>  If the shareholders' meeting is held by video conference, the company shall upload the procedure manual, annual report and other relevant materials to the shareholders' meeting video conference platform at least 30 minutes before the start of the meeting, and continue to disclose them until the end of the meeting.</p>		
<p><u>4.3.7</u>  <u>(Hold a video meeting of the shareholders meeting, and the matters to be included in the convening notice)</u>  <u>When the company holds a shareholders meeting via videoconference, the following items shall be specified in the shareholders meeting convening notice:</u>  1. <u>Shareholders' participation in video conferences and methods for exercising their rights.</u>  2. <u>How to deal with obstacles caused by natural disasters, accidents, or other force majeure events, including at least the following items:</u>  (1) <u>The time at which the meeting must be postponed or continued due to the occurrence of previous obstacles that cannot be eliminated, and the date when the meeting must be postponed or continued.</u>  (2) <u>Shareholders who have not registered to participate in the original shareholders' meeting via video conference shall not participate in the postponed or continued meeting.</u></p>	<p>This article adds</p>	<p>1. This article is newly added. In order to let shareholders know the relevant rights and restrictions of participating in the shareholders' meeting before the shareholders' meeting, it is stipulated that the content of the shareholders' meeting convening notice should include the methods for shareholders to participate in the video conference and exercise related rights, and the video conference platform due to natural disasters, accidents or other force majeure events. Or the method of dealing with obstacles arising from participation in the form of video, at least including the date when the meeting must be postponed or continued and how long the meeting should be postponed or continued if the meeting is interrupted. Article 44-2 10. The provisions of Paragraph 1, Paragraph 2, Paragraph 4, and Paragraph 5, the method of handling all proposals that have announced the results, but no interim motions, etc., and when the company convenes a videoconference shareholders meeting, shall clearly state the Participating shareholders will have difficulty offering appropriate alternatives to shareholders.</p>

Corrected name	current name	illustrate
<p>(3) <u>To convene a video-assisted shareholders' meeting, if the video conference cannot be continued, after deducting the number of shares attending the shareholders' meeting via video conference, the total number of shares attended reaches the statutory quota for the shareholders' meeting, the shareholders' meeting should continue and participate in the video conference</u> Shareholders, whose number of shares attended shall be included in the total number of shareholders' shares present, shall be deemed to have abstained from voting on all proposals at the shareholders' meeting.</p> <p>(4) <u>How to deal with the situation where all the motions have been announced and no provisional motions have been made.</u></p> <p>3. <u>To convene a video-conference shareholders meeting, which shall specify appropriate alternative measures for shareholders who have difficulty participating in video-conferencing.</u></p>		
<p>4.5 (Audio recording or video recording of the shareholder meeting) The company shall record and record the shareholder registration process, the meeting process, and the vote counting process continuously and uninterruptedly from the time the shareholder registration process is accepted. The audio-visual materials mentioned in the preceding paragraph shall be kept for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Law, it shall be preserved until the lawsuit is concluded.</p>	<p>4.5  The Company shall record or video the entire process of the Shareholders' Meeting, and keep it for at least one year. However, if the Shareholders institute a lawsuit against the validity of the Shareholders' Meeting or withdrawal of the resolution of the Shareholders' Meeting, the recording or video shall be kept until the end of the lawsuit.</p>	<p>1. Items 1 and 2 have not been amended. 2. With reference to Article 183 of the Company Law and Article 18 of the Act on the Procedures of the Board of Directors of a Public Offering Company, it is stipulated that the company should keep records of shareholders' registration, registration, registration, questions, voting, and company vote counting results. , and requires the company to record and video the video conference continuously throughout the entire process, and keep it properly during the company's existence, and provide it to the person entrusted to handle the video conference affairs for storage.</p>

Corrected name	current name	illustrate
<p>4.5.1  <u>If the shareholders' meeting is held by video conference, the company shall keep records of shareholders' registration, registration, registration, questioning, voting, and company vote counting results, etc., and record and video the entire process of the video conference continuously. The company shall properly keep the materials and audio and video recordings in the preceding paragraph during the period of existence, and provide the audio and video recordings to the person entrusted to handle the video conferencing affairs for storage.</u>  <u>If the shareholders' meeting is held by video conference, the company should make audio and video recordings of the background operation interface of the video conference platform.</u></p>	<p>This article adds</p>	<p>The third and fourth items are added. In order to preserve the relevant information of the video conference as much as possible, in addition to the third item, the company should record and record video continuously throughout the video conference. It is also advisable to record and record the background operation interface of the video conference, because the simultaneous video recording of the screen must have a certain degree of computer software. Hardware equipment and information security, so the company can clearly stipulate in the rules of procedure of its shareholders' meeting according to the feasibility of equipment conditions, and the fifth item is added.</p>
<p>4.6  Attendance at the shareholders' meeting shall be calculated on the basis of shares. The number of shares attended is calculated based on the number of shares registered on the signature book or attendance card and video conferencing platform, plus the number of shares that exercise voting rights in written or electronic means.</p> <p>4.7  When the meeting time has expired, the chairman shall immediately announce the opening of the meeting, and at the same time announce the number of non-voting shares and the number of shares present. However, when shareholders representing more than half of the total number of issued shares are not present, the chairman may announce the postponement of the meeting. The number of postponements is limited to two, and the total delay time shall not exceed one hour. If there are still not enough shareholders representing more than one-third</p>	<p>4.6  Attendance of the meeting of shareholders should be calculated in accordance with the shareholdings. The shareholding attendance is based on the attendance registry or the signature cards submitted, plus the votes exercised in writing or by electronic means.</p> <p>4.7  The chairperson shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the</p>	<ol style="list-style-type: none"> <li>1. Items 2 and 5 have not been amended.</li> <li>2. Paragraph 1 is amended to clarify that when the company's shareholders' meeting is conducted by video conference, the number of shares of shareholders who have completed the report by video conference shall be added to the calculation of the total number of shares present.</li> <li>3. When the company's shareholders' meeting is held by video conference, if the chairman announces that the meeting will be adjourned, the company shall announce the adjournment on the video conference platform of the shareholders' meeting to inform shareholders immediately. Paragraph 3 is amended.</li> </ol> <p>If the company decides to convene a shareholders' meeting separately, shareholders who wish to attend via video conference should register with the company, and the fourth item is amended.</p>

Corrected name	current name	illustrate
<p>of the total issued shares to attend after two delays, the chairman will announce the adjournment; if the shareholders' meeting is held by video conference, the company shall also announce the adjournment on the shareholders' meeting video conference platform.</p> <p>4.7.1 If the preceding paragraph is postponed twice and the amount is still insufficient and there are shareholders representing more than one-third of the total issued shares present, a false resolution may be made in accordance with Article 175, Paragraph 1 of the Company Law, and the false resolution shall be notified to all parties. Shareholders shall convene a shareholders' meeting again within one month; if the shareholders' meeting is convened by videoconference, shareholders who wish to attend by videoconference shall re-register with the company in accordance with Article 4.3.5. Before the end of the current meeting, if the number of shares represented by the attending shareholders reaches more than half of the total number of issued shares, the chairman may resubmit the false resolution made to the shareholders' meeting for voting in accordance with Article 174 of the Company Law.</p>	<p>attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>This article adds</p>	
<p>4.9.6 <u>If the shareholders meeting is convened by video conference, shareholders who participate in the video conference may ask questions in text on the shareholders meeting video conference platform after the chairman announces the meeting and before the meeting is closed. The number of questions for each proposal shall not exceed two times. The limit is 200 characters, and the provisions of items 1 to 5 do not apply. If the question in the preceding paragraph does not violate the</u></p>	<p>This article adds</p>	<p>1. Items 1 to 6 have not been amended. 2. Paragraph 7 is added to clarify the methods, procedures, and restrictions on the questioning methods, procedures, and restrictions for shareholders who participate in the shareholders' meeting via videoconference. In order to help other shareholders understand the content of the shareholders' questions, the company can screen out the questions that are not related to the various issues of the shareholders' meeting, and the rest of the shareholders' questions should be</p>

Corrected name	current name	illustrate
<p><u>regulations or exceed the scope of the proposal, it is advisable to disclose the question on the video conferencing platform of the shareholders meeting for public awareness.</u></p>		<p>disclosed on the video platform. The eighth item is added.</p>
<p>4.8.8 For those who exercise their voting rights in writing or electronically in the preceding paragraph, their declaration of intent shall be delivered to the company two days before the shareholders' meeting. However, this does not apply to those who express their intention before the declaration is revoked. After shareholders exercise their voting rights in writing or electronically, if they want to attend the shareholders' meeting in person, they should revoke the declaration of intention to exercise voting rights in the preceding paragraph in the same way as exercising voting rights two days before the shareholders' meeting; voting rights shall prevail. If voting rights are exercised in written or electronic means and a proxy is authorized to attend the shareholders' meeting with a power of attorney, the voting rights performed by the proxy shall prevail. Unless otherwise provided for by the Company Law and the Articles of Association of the company, voting on proposals shall be passed with the consent of more than half of the voting rights of the shareholders present. When voting, the chairman or the person designated by him shall announce the total number of voting rights of the attending shareholders on a case-by-case basis, and the shareholders shall vote on a case-by-case</p>	<p>This article adds</p>	<ol style="list-style-type: none"> <li>1. Items 1 to 3 and Items 5 to 8 have not been amended.</li> <li>2. To expressly stipulate that after shareholders exercise their voting rights in written or electronic means, if they want to change to attend the shareholders' meeting by video conference, they should first cancel it in the same way as exercising their voting rights. Paragraph 4 is amended.</li> <li>3. If the shareholders' meeting is held by video conference, in order to allow shareholders participating in the video conference to have sufficient voting time, from the time when the chairman announces the meeting to the time when the voting ends, all original proposals can be voted on. The vote counting operation must be a one-time vote counting to match the voting time of shareholders participating in video conferences. Items 9 and 10 are newly added.</li> <li>4. Shareholders who have registered for video-assisted shareholders' meeting and wish to attend the physical shareholders' meeting in person should cancel their registration in the same way as the registration two days before the shareholders' meeting. If the cancellation is overdue, only To be able to participate in the shareholders' meeting via video conference, the eleventh item is added.</li> </ol> <p>Refer to the letter No. 10102404740 of the Ministry of Economic Affairs on February 24, 101 and Jingshang Zi No. 10102414350 on May 3 of the same year The No. 1 letter stipulates that shareholders who exercise voting rights electronically and have not withdrawn their declaration of intention cannot propose</p>

Corrected name	current name	illustrate
<p>basis, and on the day after the shareholders' meeting, the shareholders' approval, objection and abstention results shall be entered into the Public Information Observatory.</p> <p>When there is an amendment or alternative to the same proposal, the chairman shall determine the order of voting with the original proposal. If one of the proposals has been passed, the other proposals shall be deemed to be rejected, and there is no need to vote again.</p> <p>The scrutiny and counting personnel for voting on proposals shall be designated by the chairman, but the scrutiny personnel shall have the status of shareholders.</p> <p>The counting of votes or election proposals at the shareholders' meeting shall be done in a public place at the shareholders' meeting, and after the counting of votes is completed, the voting results shall be announced on the spot, including the counting weights, and shall be recorded.</p> <p><u>The company holds a video meeting of the shareholders meeting. Shareholders who participate in the video conference shall vote on various proposals and election proposals through the video conference platform after the chairman announces the opening of the meeting. deemed a waiver.</u></p> <p><u>If the shareholders' meeting is convened by videoconference, after the chairman announces that the voting is over, the votes shall be counted at one time, and the voting and election results shall be announced.</u></p>		<p>amendments to the original proposal, nor can they exercise voting rights again. Extraordinary motions can be used to exercise voting rights, and written and electronic voting are both ways for shareholders to exercise their rights. Based on the principle of fair treatment, written voting should also refer to the spirit of the previous electronic voting norms to protect shareholders' rights and interests. Article 12 expressly stipulates that shareholders who exercise voting rights in writing or electronically may still register to participate in the shareholders' meeting by video conferencing if they have not withdrawn their declaration of intention.</p> <p>Amendment to the original motion shall be voted on, and no amendment to the original motion shall be proposed.</p>

Corrected name	current name	illustrate
<p><u>When the company holds a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting via videoconference in accordance with the provisions of Article 4.3.5, and wish to attend the physical shareholders' meeting in person, shall cancel the registration in the same manner as the registration two days before the shareholders' meeting; Those who cancel after the deadline can only attend the shareholders' meeting via video conference. Those who exercise voting rights in writing or electronically without revoking their declaration of intention and participate in the shareholders' meeting by videoconference shall not exercise voting rights on the original proposals, propose amendments to the original proposals, or exercise voting rights on amendments to the original proposals, except for ad hoc motions.</u></p>		
<p>4.15 <u>If the shareholders meeting is convened by videoconference, in addition to the matters that shall be recorded in accordance with the provisions of the preceding paragraph, the minutes shall also record the start and end time of the shareholders meeting, the method of convening the meeting, the name of the chairman and the minutes, and records of events caused by natural disasters, accidents or other force majeure. The handling method and handling situation when there is an obstacle to the video conferencing platform or participation in the form of video.</u></p>	<p>This article adds</p>	<ol style="list-style-type: none"> <li>1. Items 1 to 3 have not been amended.</li> <li>2. In order for shareholders to understand the results of the video conference, the alternative measures for shareholders with digital gaps, and the handling methods and circumstances of the disconnection, the company is required to exclude the matters that should be recorded in accordance with the third paragraph when making the minutes of the shareholders' meeting In addition, the start and end time of the meeting, the method of holding the meeting, the name of the chairman and the recorder, and the handling method and situation of the video conference platform or participation in the video conference due to natural</li> </ol>



Corrected name	current name	illustrate
<p><u>The Company shall hold a video-conference shareholders meeting, in addition to following the provisions of the preceding paragraph, and shall state in the minutes of meeting that there are alternative measures provided by shareholders who have difficulties participating in video-conferencing.</u></p>		<p>disasters, accidents or other force majeure should be recorded. The fourth item is added. If a videoconference shareholders meeting is held, the notice of convening shall specify the appropriate alternative measures for shareholders who may have difficulties in participating in videoconference. The fifth item is added.</p>
<p>4.16.1(External Announcement) The number of shares acquired by the solicitor, the number of shares represented by the entrusted agent, and the number of shares attended by shareholders in written or electronic form, the company shall, on the day of the shareholders' meeting, compile a statistical table in accordance with the prescribed format, and make it clear at the shareholders' meeting. If the shareholders meeting is held by video conference, the company shall upload the aforementioned information to the shareholders meeting video conference platform at least 30 minutes before the start of the meeting, and continue to disclose it until the end of the meeting. <u>When the company holds a video conference of the shareholders' meeting and announces the meeting, the total number of shareholders' shares present shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights of shareholders present are counted separately during the meeting.</u> For the resolutions of the shareholders' meeting, if there is any major information required by the laws and regulations of the Taiwan Stock Exchange Co., Ltd. (Republic of China Securities OTC Exchange), the company shall transmit the content to the public information observation station within the specified time.</p>	<p>4.16.1 The Company shall keep track on and compile the statistical data on the quantity of shares represented through assignment or represented by proxies in the required format on the day of the session, and disclose them explicitly on the scene of the meeting. For resolutions of the Shareholders Meeting, if it is an important announcement in accordance to the law, the regulations of the Taiwan Stock Exchange, or TPEX (if applicable), the Company shall, within the instructed time, post such information to the Market Observation Post System.</p>	<ol style="list-style-type: none"> <li>1. In order for shareholders to know the number of shares acquired by the solicitor, the number of shares represented by the entrusted agent, and the number of shares attended by written or electronic means, the company shall clearly disclose it at the shareholder meeting. If the company holds a video conference, it should be uploaded to the video conference platform of the shareholders meeting, and the first item should be amended.</li> <li>2. In order to enable shareholders participating in the video conference of the shareholders' meeting to know whether the number of shareholders' attendance rights has reached the threshold for the shareholders' meeting, it is stipulated that the company should disclose the total number of shareholders' shares present on the video conference platform when announcing the meeting. The statistics of the total number of shares and voting rights of the shareholders present shall also be disclosed on the video conferencing platform, and the second item shall be added.</li> </ol>

Corrected name	current name	illustrate
<p>4.19(Information Disclosure for Video Conference)  <u>If the shareholders' meeting is held by video conference, the company shall immediately disclose the voting results of various proposals and election results on the shareholders' meeting video conference platform in accordance with regulations after the voting ends, and shall continue to disclose at least 15 minutes after the chairman announces the adjournment of the meeting. minute.</u></p>	<p>This article adds</p>	<p>1. This article adds  In order to enable shareholders participating in the videoconference of the shareholders' meeting to be informed of the voting status and election results of various proposals in real time, and to regulate sufficient information disclosure time, this article is amended.</p>
<p>4.20(Location of Chairman of the Video Shareholders' Meeting and Records Officer)  <u>When the company holds a video-conference shareholders meeting, the chairman and recorder shall be at the same place in China, and the chairman shall announce the address of the place when the meeting is held.</u></p>	<p>This article adds</p>	<p>1. This article adds  When the shareholders' meeting is held by video conference and there is no physical meeting place, the chairman and the recorder should be at the same place in the country. In addition, in order to let shareholders know the chairman's location, the chairman should announce the address of his location when the meeting is held. Update it.</p>
<p>4.21(handling of disconnection)  <u>If the shareholders' meeting is held by video conference, the company may provide shareholders with a simple connection test before the meeting, and provide relevant services immediately before the meeting and during the meeting to assist in dealing with technical problems in communication.</u>  <u>If the shareholders' meeting is convened by videoconference, the chairman shall, when announcing the opening of the meeting, separately announce that there is no need to postpone or continue the meeting except for the circumstances specified in Item 24, Article 44 of the Standards for the Handling of Stock</u></p>	<p>This article adds</p>	<p>1. This article adds  2. In order to reduce the communication problems of video conferencing, in consideration of foreign practice, a connection test may be provided before the meeting, and relevant services may be provided immediately before the meeting and during the meeting to assist in dealing with technical problems of communication, and the first item is added.  3. When the company holds a videoconference meeting of the shareholders meeting, the chairman shall announce at the meeting that if there is an obstacle to the videoconferencing platform or participation in videoconference due to natural disasters, accidents or other force majeure, and it cannot be eliminated for more than 30 minutes, the meeting shall be completed within five days.  Article 182 of the Company Law, which requires a resolution of the shareholders' meeting, does not apply to the date of convening or continuing a general meeting within a day. Paragraph 2 is added.  The company, video conferencing platform, shareholders, solicitor, or entrusted agent who individually</p>

Corrected name	current name	illustrate
<p><u>Affairs of Public Offering Companies. Before the adjournment of the meeting, due to natural disasters, accidents or other force majeure, if the video conferencing platform or participation in video conferencing is obstructed and lasts for more than 30 minutes, the date of the meeting shall be postponed or continued within five days, and the company law does not apply. Article 182. Shareholders who have not registered to participate in the original shareholders' meeting via video conference shall not participate in the postponed or continued meeting in the event of the occurrence of the preceding paragraph.</u></p> <p><u>The meeting shall be postponed or resumed according to the provisions of Paragraph 2. Shareholders who have registered to participate in the original shareholders' meeting and completed the registration through video conference, and those who have not participated in the postponed or continued meeting, the number of shares attended at the original shareholders' meeting, the voting rights exercised and Voting rights shall be included in the total number of shares, voting rights and voting rights of shareholders present at the postponed or resumed meeting. When adjourning or adjourning a general meeting of shareholders in accordance with the provisions of Paragraph 2, no re-discussion and resolution is required for proposals that have completed voting and counting, and announced the voting results or lists of directors and supervisors.</u></p>		<p>intentionally or negligently causes the inability to hold or participate in a video conference does not fall within the scope of this article.</p> <p>4. In the event that the meeting should be postponed or resumed in the second paragraph of the company, in accordance with the provisions of Article 44-22 of the Standards for the Handling of Share Affairs of Public Offering Companies, shareholders who have not registered to participate in the original shareholders' meeting through video conference (including the solicitor and the entrusted agent) shall not participate in the postponement or continuation meeting, and the third item shall be added in cooperation. As for convening a video-assisted shareholders' meeting, the shareholders who originally participated in the physical shareholders' meeting may continue to participate in the postponed or continued meeting in a physical form, and explain it.</p> <p>5. When the company should postpone or resume the meeting according to the provisions of the second paragraph, it has registered to participate in the original shareholders' meeting and complete the registration in accordance with the provisions of Article 44-23 of the Standards for the Handling of Share Affairs of Public Offering Companies If the shareholders (including the solicitor and the entrusted agent) did not participate in the extension or continuation meeting, the number of shares attended, the exercised voting rights and voting rights at the original shareholders meeting shall be included in the total number of shares of shareholders attending the extension or continuation meeting, the number of voting rights and the number of voting rights, please add item 4 to cooperate.</p> <p>6. When the meeting cannot be continued due to communication barriers, and the shareholders' meeting must be postponed or resumed, the voting and counting of the previous meeting, and the announcement of the voting results or the list of elected directors and supervisors may be considered. In order to complete the resolution, there is no need to re-discuss and resolve, in order to reduce the time and cost of the continuation meeting, the fifth item is stipulated.</p>

Corrected name	current name	illustrate
<p><u>When the company convenes a video-assisted shareholders' meeting, and the video conference cannot be continued under Paragraph 2, if the total number of shares present after deducting the number of shares attending the shareholders' meeting by video-conference still reaches the statutory quota for the shareholders' meeting, the shareholders' meeting shall continue. There is no need to postpone or continue the meeting in accordance with the provisions of the second paragraph.</u></p> <p><u>In the event that the meeting should continue as mentioned in the preceding paragraph, the shareholders who participate in the shareholders meeting via videoconference shall be included in the total number of shares of the shareholders present, but all the resolutions of the shareholders meeting shall be deemed as abstaining from voting.</u></p> <p><u>When the company postpones or continues the meeting in accordance with the provisions of the second paragraph, it shall follow the provisions listed in Article 44-27 of the Standards for the Handling of Share Affairs of Public Offering Companies, and handle relevant matters in accordance with the original date of the shareholders' meeting and the provisions of each article. Preliminary work. The second paragraph of Article 12 and Item 3 of Article 13 of the Rules for the Use of Power of Attorneys for Attending Shareholders' Meetings by Public Offering Companies, the Second Item of</u></p>		<p>7. Considering that the video-assisted shareholders' meeting has both a physical meeting and a video conference. If there is an obstacle to the video conference platform or participation in the video conference due to force majeure, because there is still a physical shareholders' meeting, if the attendance of the video conference is deducted After the number of shares attended, if the total number of shares present still reaches the statutory quota for the shareholders' meeting, the shareholders' meeting shall continue, and there is no need to postpone or continue the meeting in accordance with the provisions of Paragraph 2. Paragraph 6 is stipulated.</p> <p>8. In the event that the company should continue the meeting in Item 2 without adjourning or resuming the meeting, it shall participate in the meeting by videoconference in accordance with the provisions of Article 44-25 of the Standards for the Handling of Share Affairs of Companies Offering Shares. Shareholders of the shareholders meeting (including solicitors and entrusted agents), the number of shares attended shall be included in the total number of shares of the attending shareholders, but all the proposals of the shareholders meeting shall be deemed as abstaining from voting, and the seventh item is added in cooperation.</p> <p>9. The adjournment or continuation of the general meeting is identical to the original shareholders' meeting after consideration of the prior suspension of the meeting. There is no need to follow Article 44 of the Standards for the Handling of Share Affairs of Public Offering Companies because of the date of the postponement or continuation of the shareholders' meeting. The provisions listed in item 27 shall re-do the pre-operations related to the shareholders meeting, and item 8 shall be stipulated. In addition, when the video conference of the shareholders' meeting has been postponed, the second paragraph of Article 12 and Item 3 of Article 13 of the Rules for the use of power of attorney for public offering companies to attend shareholders' meetings, and Article 44-5 of the</p>

Corrected name	current name	illustrate
<p><u>Article 44-5, and Article 44-10 of the Guidelines for the Handling of Stock Affairs of Public Offering Companies</u>  <u>5. During the period specified in Paragraph 1 of Article 44-17, the company shall postpone or continue the date of the shareholder meeting in accordance with the provisions of Paragraph 2.</u></p>		<p>Guidelines for the Handling of Share Affairs of Public Offering Companies Items related to item 2, Article 44-15, Article 44-17, Item 1, etc. that must be announced and disclosed on the day of the shareholder meeting must still be disclosed to shareholders on the day of the postponed or resumed meeting. Set out the ninth item.</p>
<p><u>4.22 (handling of digital gap)</u>  <u>When the company holds a video-conference shareholders meeting, it shall provide appropriate alternative measures for shareholders who have difficulties in attending via video-conferencing.</u></p>	<p>This article adds</p>	<p>1. This article adds  When the company holds a video-conference shareholders meeting, it considers that it may be hindered by the number of shareholders who may not be able to participate in the video-conference meeting. Appropriate alternative measures should be provided to shareholders, such as exercising voting rights in writing or providing shareholders with renting necessary equipment to participate in the meeting.</p>
<p><u>4.23</u>  These rules will come into force after being approved by the shareholders' meeting, and the same will apply when they are amended.</p>	<p><u>4.19</u>  The rule begins once decided by the Shareholders' Meeting; the same applies when there is a change of rule.</p>	<p>Adjust the number of clauses in line with the revised clauses.</p>

**Tong Ming Enterprise Co., Ltd.**  
**Amendment to the "Rules of Procedure for Shareholder Meeting"**

Revision date: October 26, 2022

Corrected name	current name	illustrate
<p>4.1.3 The board meeting shall be held at least once a quarter, and shall be clearly stipulated in the rules of procedure. The convening of the board of directors shall specify the reason for the convening, and the directors and supervisors shall be notified seven days in advance. However, in case of emergency, it can be called at any time. The notification of the convening referred to in the preceding paragraph may be done electronically with the consent of the counterparty. Items mentioned in the first subparagraph of Article 7 shall be listed in the reason for the convening, and shall not be raised as an interim motion.</p>	<p>4.1.3 The board meeting shall be held at least once a quarter, and shall be clearly stipulated in the rules of procedure. The convening of the board of directors shall specify the reason for the convening, and the directors and supervisors shall be notified seven days in advance. However, in case of emergency, it can be called at any time. The notification of the convening referred to in the preceding paragraph may be done electronically with the consent of the counterparty. Items mentioned in the subparagraphs of Article 7, Paragraph 1 shall be listed in the reasons for the convening, and shall not be proposed as ad hoc motions, unless there is an emergency or a justifiable reason.</p>	<p>1. Items 1 to 3 have not been amended. 2. In view of the fact that the items in the first paragraph of Article 7 are important matters related to the company's operation, they should be stated in the reason for the convening, so that the directors have sufficient information and time to evaluate their proposals before making decisions, and the fourth paragraph is deleted. It is stipulated that the matters stipulated in the first paragraph of Article 7 shall be listed in the reasons for the convening, and shall not be raised as an interim motion. In addition, if the company has an urgent matter that should be brought to the board of directors for discussion, it can call it at any time according to the second paragraph, and it should not affect the normal operation of the company's business or operations. The convening of the emergency board of directors shall still be held at a place and time convenient for the directors to attend in accordance with Article 4, and in accordance with the provisions of Article 5, the contents of the board of directors meeting, meeting materials, and the convening notice shall be sent to the members of the board of directors.</p>
<p>4.10.1 The following matters shall be submitted to the Company's Board of Directors for discussion:</p>	<p>4.10.1 The following matters shall be submitted to the Company's Board of Directors for discussion:</p>	
<p>4.10.1.1 The Company's operating plan;</p>	<p>4.10.1.1 The Company's operating plan;</p>	
<p>4.10.1.2 Annual financial reports and interim financial report. But the semi-annual financial report is not required by law and regulations to be audited by the CPAs; therefore, it is not subject to this requirement.</p>	<p>4.10.1.2 Annual financial reports and interim financial report. But the semi-annual financial report is not required by law and regulations to be audited by the CPAs; therefore, it is not subject to this requirement.</p>	
<p>4.10.1.3 The institution or amendment to the internal control system pursuant to Article 14-1 of the Securities and Exchanges Act, and the evaluation of the effectiveness of the system.</p>	<p>4.10.1.3 The institution or amendment to the internal control system pursuant to Article 14-1 of the Securities and Exchanges Act, and the evaluation of the effectiveness of the system.</p>	<p>1. In accordance with Article 208, Paragraphs 1 and 2 of the Company Law, the election of the chairman of the board of directors is a function of the board of directors or the executive</p>

Corrected name	current name	illustrate
<p>4.10.1.4 Stipulate or revise the regulations governing the significant financial business behaviors, including the acquisition and disposal of assets, trading of financial derivatives, lending of capital, loaning of funds, and making of endorsement in accordance with Article 36.1 of the Securities and Exchange Act.</p> <p>4.10.1.5 Public offering, issuance, or private placement of equity-type securities;</p> <p><u>4.10.1.6</u> <u>If the board of directors does not have a managing director, the chairman shall be elected or dismissed.</u></p> <p><u>4.10.1.7</u> <u>The appointment and dismissal of the Finance Officer, Accounting Officer, or Internal Chief Auditor;</u></p> <p><u>4.10.1.8</u> Donation to a related party or a significant donation to a non-related party. However, the charitable donation for an emergency relief of major natural disasters may be submitted in the next Board meeting for ratification.</p> <p><u>4.10.1.9</u> The matters to be resolved in the shareholders' meeting or Board meeting in accordance with Article 14-3 of the Securities and Exchange Act, the other laws and regulations, or the Articles of Association, or the major matters to be resolved in accordance with the requirements of the competent authorities; The "related party" in Paragraph 8 in the preceding paragraph refers to the "related party" described in the "Regulations Governing the Preparation of Financial Reports by Securities Issuers." The alleged "significant</p>	<p>4.10.1.4 Stipulate or revise the regulations governing the significant financial business behaviors, including the acquisition and disposal of assets, trading of financial derivatives, lending of capital, loaning of funds, and making of endorsement in accordance with Article 36.1 of the Securities and Exchange Act.</p> <p>4.10.1.5 Public offering, issuance, or private placement of equity-type securities;</p> <p>4.10.1.6 The appointment and dismissal of the Finance Officer, Accounting Officer, or Internal Chief Auditor;</p> <p>4.10.1.7 Donation to a related party or a significant donation to a non-related party. However, the charitable donation for an emergency relief of major natural disasters may be submitted in the next Board meeting for ratification.</p> <p>4.10.1.8 The matters to be resolved in the shareholders' meeting or Board meeting in accordance with Article 14-3 of the Securities and Exchange Act, the other laws and regulations, or the Articles of Association, or the major matters to be resolved in accordance with the requirements of the competent authorities; The term "related party" mentioned in subparagraph 7 of the preceding paragraph refers to the related party regulated by the financial report preparation standards of securities issuers; the term "significant</p>	<p>board of directors, and the procedure for dismissal of the chairman of the board of directors is not expressly stipulated in the company law, but it is based on economic considerations. On August 2, 1994, the Ministry of Finance issued a letter No. 09402105990 of Shang Zi No. 09402105990. The method of dismissing the chairman of the board of directors is not expressly stipulated in the company law. elected It is more reasonable to make a resolution of the board of directors or the executive board of directors.</p> <p>2. With reference to the provisions of the company law above and the letter from the Ministry of Economic Affairs, and based on the fact that the dismissal and election of the chairman are both important matters of the company, a new paragraph 6 is added to clarify that if the board of directors does not have an executive director, the election or dismissal of the chairman shall be All should be discussed by the board of directors, and the current paragraphs 6 to 8 are transferred to paragraphs 7 to 9. In addition, in accordance with Article 208, Paragraph 2 of the Company Law, the chairman elected by the executive board of directors shall be consistent with the procedures and rules for the election and dismissal of the chairman of the board of directors. the regulations.</p> <p>3. Item 2 was amended to match the items involved in item 1, and items 3 to 5 were not amended. If the board of directors has an executive director, the practicable regulations for the election or removal of the chairman of the board of directors are added. The reasons are the same as those explained in Article 7, Explanations 1 and 2.</p>

Corrected name	current name	illustrate
<p>donation to a non-related party” refers to the donation amount of each transaction or the cumulative donation amount to one donee within one year for over NTD100 million, 1% of the net operating income stated in the most recent financial report audited by the CPAs, or 5% of the paid-in capital. (If the shares issued by foreign companies have no face value or the face value is not NT\$10/share, the amount of 5% of the paid-in capital shall be based on 2.5% of the shareholders’ equity.) The alleged “within one year” in the preceding paragraph is the year prior to the current Board meeting convening date, retroactively; also, the proposal that is already resolved in the Board meeting is not subject to this requirement.</p> <p>If the stock of a foreign company has no par value or the par value of each share is not NT\$10, the amount of 5% of the paid-in capital mentioned in Paragraph 2 shall be calculated as 2.5% of the shareholders' equity.</p> <p>If the Company has reserved seats for Independent Directors, at least 1 seat shall be present in the session of the Board. In the resolution for motions presented in the Board session as stated in Paragraph 1, the presence of all independent Directors is required. If particular Independent Director cannot attend the meeting in person, another Independent Director shall be appointed as proxy to the meeting. The objections or reservations, if any, of the independent directors should be detailed in the minutes of the Board meeting. If the independent directors cannot attend the Board meeting in person to express their objections or reservations, in addition to being justified, they shall issue a written opinion in advance to be detailed in the minutes of Board meeting.</p>	<p>donation to non-related party” refers to the amount of each donation or the cumulative amount of donations to the same object within one year reaching the new level. More than NT\$100 million, or 1% of the net operating income or 5% of the paid-in capital in the latest annual financial report certified by an accountant. The term within one year referred to in the preceding paragraph refers to the date of the meeting of the board of directors as the benchmark, retrospectively Counting for one year, the part that has been proposed and passed by the board of directors is exempted from counting again.</p> <p>If the stock of a foreign company has no par value or the par value of each share is not NT\$10, the amount of 5% of the paid-in capital mentioned in Paragraph 2 shall be calculated as 2.5% of the shareholders' equity.</p> <p>If the Company has reserved seats for Independent Directors, at least 1 seat shall be present in the session of the Board. In the resolution for motions presented in the Board session as stated in Paragraph 1, the presence of all independent Directors is required. If particular Independent Director cannot attend the meeting in person, another Independent Director shall be appointed as proxy to the meeting. The objections or reservations, if any, of the independent directors should be detailed in the minutes of the Board meeting. If the independent directors cannot attend the Board meeting in person to express their objections or reservations, in addition to being justified, they shall issue a written opinion in advance to be detailed in the minutes of Board meeting.</p>	



Corrected name	current name	illustrate
<p>4.14.1 The minutes of meeting must be prepared for the Company’s board meeting with the following information detailed:</p> <p>4.14.1.1 The session (or year), time, and place of the meeting;</p> <p>4.14.1.2 The name of the chairman;</p> <p>4.14.1.3 Directors’ attendance, including the name and the number of the directors who are or are not (leave of absence or absence) at the meeting;</p> <p>4.14.1.4 Name and title of the attendees;</p> <p>4.14.1.5 The names inscribed;</p> <p>4.14.1.6 Reporting Items;</p> <p>4.14.1.7 Discussion items: resolution methods and results of each proposal, abstracts of speeches made by directors, supervisors, experts, and other personnel, names of directors who are interested in accordance with Paragraph 1 of the preceding article, explanations of important content of interests, and their abstentions Or reasons for non-evasion, circumstances of avoidance, objections or reserved opinions with records or written statements and written opinions issued by independent directors in accordance with Article 4.10.2.</p> <p>4.14.1.8 Extraordinary motions: name of proposer, resolution method and result of the proposal, summary of speeches made by directors, supervisors, experts, and other personnel, names of directors who are interested in accordance with Paragraph 1 of the preceding article, explanation of important contents of interest, It should avoid or not avoid the reasons, avoidance circumstances and objections or reservations, and there are records or written statements.</p> <p>4.14.1.9 Other remarks.</p>	<p>4.14.1 The minutes of meeting must be prepared for the Company’s board meeting with the following information detailed:</p> <p>4.14.1.1 The session (or year), time, and place of the meeting;</p> <p>4.14.1.2 The name of the chairman;</p> <p>4.14.1.3 Directors’ attendance, including the name and the number of the directors who are or are not (leave of absence or absence) at the meeting;</p> <p>4.14.1.4 Name and title of the attendees;</p> <p>4.14.1.5 The names inscribed;</p> <p>4.14.1.6 Reporting Items;</p> <p>4.14.1.7 Issues to be discussed: Proposal resolution methods and results, statements of the directors, experts, and other staff, and documented or written objections or reservations, including the written opinions proposed by the independent directors in accordance with 4.10.2.</p> <p>4.14.1.8 Motion: The names of the proposer, the proposal resolution methods and results, the statement of the directors, experts, and other staff, and documented or written objections or reservations.</p> <p>4.14.1.9 Other remarks.</p>	

## Appendix 1

“The Company's Articles of Incorporation”

### **TONG MING ENTERPRISE CO., LTD.**

(as adopted by a Special Resolution passed on June 15, 2020)

---

1. The name of the company is **Tong Ming Enterprise Co., Ltd.**
2. The Registered Office of the Company shall be at the offices of McGrath Tonner Corporate Services Limited at Genesis Building, 5th Floor, Genesis Close, P.O. Box 446, Cayman Islands, KY1-1106 or at such other place within the Cayman Islands as the Board may from time to time decide.
3. Subject to the following provisions of this Memorandum of Association, the objects for which the Company is established are unrestricted, and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Law (2020 Revision).
4. Subject to the following provisions of this Memorandum of Association, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of the Companies Law (2020 Revision).
5. Nothing in this Memorandum of Association shall permit the Company to carry on a business of a bank or trust company without being licensed in that behalf under the Banks and Trust Companies Law (Revised) or to carry on insurance business from within the Cayman Islands or the business of an insurance manager, agent, sub-agent or broker without being licensed in that behalf under the Insurance Law (Revised) or to carry on the business of company management without being licensed in that behalf under the Companies Management Law (Revised).
6. The Company shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
7. When conducting business, the Company shall comply with the laws and regulations as well as business ethics, and may take actions that will promote public interests in order to fulfil its social responsibilities.
8. The liability of each member is limited to the amount from time to time unpaid on such member's shares.
9. The share capital of the Company is **NT\$2,500,000,000** divided into **250,000,000** ordinary shares of a par value of **NT\$10** each with power for the Company, subject to the provisions of the Companies Law (2020 Revision) and the Articles of Association, to redeem any of its shares and to increase or reduce the said capital and to issue any part of its capital, original, redeemed, increased or reduced, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that, unless the condition of issue shall otherwise expressly declare, every issue of shares, whether declared to be ordinary, preference or otherwise, shall be subject to the power hereinbefore contained.
10. The Company has 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.
11. 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 and the interpretations section of the Articles of Association of the Company shall apply to this Memorandum of Association.

---

THE COMPANIES LAW (2020 REVISION)  
COMPANY LIMITED BY SHARES

**TENTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION**

**OF**

**TONG MING ENTERPRISE CO., LTD.**

(as adopted by a Special Resolution passed on June 15, 2020)

---

**INTERPRETATION**

The Regulations contained or incorporated in Table A of the First Schedule of the Companies Law (2020 Revision) of the Cayman Islands (as amended, supplemented or otherwise modified from time to time) shall not apply to this Company.

(1) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires:

Applicable Listing Rules	the relevant laws, regulations, rules and codes as amended, from time to time, applicable as a result of the original and continued trading or listing of any shares on any Taiwan stock exchange or securities market, including, without limitation the relevant provisions of the Securities and Exchange Act of the R.O.C., the Company Act of the R.O.C., the Business Mergers And Acquisitions Act of the R.O.C., the Act Governing Relations Between Peoples of the Taiwan Area and the Mainland Area of the R.O.C., and any similar laws, statutes and the rules and regulations of the R.O.C. authorities thereunder, and the rules and regulations promulgated by the Financial Supervisory Commission, the Emerging Market, the TPEX and the TWSE (where applicable);
Articles	these Articles of Association of the Company in their present form, as amended, substituted or supplemented from time to time by a Special Resolution;
Auditors	the Auditors (if any) for the time being of the Company;
Board	the board of Directors of the Company comprising all the Directors;
Capital Reserve	means (1) the Share Premium Account, (2) income from endowments received by the Company and (3) other items required to be treated as Capital Reserve pursuant to the Applicable Listing Rules;
Chairman	has the meaning given thereto in Article 63;
Class or Classes	any class or classes of Shares as may from time to time be issued by

Commission	the Company in accordance with these Articles; the Financial Supervisory Commission of the R.O.C. or any other authority for the time being administering the Securities and Exchange Act of the R.O.C.;
Company	<b>TONG MING ENTERPRISE CO., LTD.;</b>
Consolidation	the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies in the consolidated company within the meaning of the Law and the Applicable Listing Rules;
Director	a director of the Company or an Independent Director (if any) for the time being who collectively form the Board, and “Directors” means 2 or more of them (including any and all Independent Director(s));
Discount Transfer	has the meaning set out in Article 20(3);
electronic	shall have the meaning given to it in the Electronic Transactions Law (2003 Revision) (as amended) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force including every other law incorporated therewith or substituted therefore;
Emerging Market	the emerging market board of the TPEX in Taiwan;
Employees	employees of the Company and/or any of the Subordinate Companies of the Company, as determined by the Board from time to time in its sole discretion, and “Employee” shall mean any one of them;
Financial Statements	has the meaning set out in Article 95;
Independent Directors	those Directors appointed as "Independent Directors" pursuant to the requirements of the Applicable Listing Rules, and “Independent Director” means any one of them;
Juristic Person	a firm, corporation or other organization which is recognised by the Law and the Applicable Listing Rules as a legal entity;
Law	the Companies Law (2020 Revision) of the Cayman Islands and any amendment or other statutory modification thereof and every other act, order, regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum and/or these Articles, and where in these Articles any provision of the Law is referred to, the reference is to that provision as modified by any law for the time being in force;
Member or Shareholder	a Person who is duly registered as the holder of any Share or Shares in the Register for the time being, including persons who are jointly so registered and “Members” or “Shareholders” means 2 or more of

Memorandum	them; the memorandum of association of the Company, as amended or substituted from time to time;
Merger	the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company within the meaning of the Law and the Applicable Listing Rules;
Month	a calendar month;
NT\$ or NTD	New Taiwan Dollars;
Ordinary Resolution	a resolution:-  (a) passed by a simple majority of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Members being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy, present at a general meeting of the Company held in accordance with these Articles;  (b) at any time other than during the Relevant Period, approved in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorized representatives); or  (c) where the Company has only one Member, approved in writing by such Member signed by such Member and the effective date of the resolution so adopted shall be the date on which the instrument is executed;
Person	any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;
Preferred Shares	has the meaning given thereto in Article 4;
Private Placement	an offer by the Company of its Shares, bonds and other securities approved by the Commission to specific persons pursuant to the Applicable Listing Rules;
Register	the register of Members of the Company maintained in accordance with the Law at such place within or outside the Cayman Islands;
Registered Office	the registered office of the Company for the time being as required under the Law;

Relevant Period	the period commencing from the date on which any of the securities of the Company first become registered or listed on the Emerging Market, the TPEX, the TWSE or any Taiwan stock exchange or securities market to and including the date immediately before the day on which none of such securities are so registered or listed (and so that if at any time registration or listing of any such securities is suspended for any reason whatsoever and for any length of time, they shall nevertheless be treated, for the purpose of this definition, as registered or listed);
R.O.C. or Taiwan	the Republic of China, its territories, its possessions and all areas subject to its jurisdiction;
R.O.C. Courts	the Taiwan Taipei District Court or any other competent courts in the R.O.C.;
Seal	the common seal of the Company;
Secretary	any Person for the time being appointed by the Directors to perform any of the duties of the secretary of the Company and including any assistant, deputy, acting or temporary secretary;
Share	a share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;
Share Premium Account	the share premium account of the Company established in accordance with these Articles and the Law;
Shareholder Service Agent	the agent licensed by the R.O.C. authorities and having its offices in the R.O.C. to provide shareholder services, in accordance with the Applicable Listing Rules and the Regulations Governing the Administration of Shareholder Services of Public Companies of the R.O.C., to the Company;
signed	bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a Person with the intent to sign the electronic communication;
Special Reserve	has the meaning set out in Article 86;

Special Resolution	<p>a special resolution of the Company passed in accordance with the Law, being a resolution:</p> <ul style="list-style-type: none"> <li>(a) passed by a majority of at least two-thirds of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Members being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy, present at a general meeting of the Company held in accordance with these Articles, of which notice, specifying (without prejudice to the power contained in these Articles to amend the same) the intention to propose the resolution as a Special Resolution, has been duly given;</li> <li>(b) at any time other than during the Relevant Period, approved in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorized representatives); or</li> <li>(c) where the Company has only one Member, approved in writing by such Member signed by such Member and the effective date of the special resolution so adopted shall be the date on which the instrument is executed.</li> </ul> <p>A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles;</p>
Spin-off	<p>an act wherein a transferor company transfers all of its independently operated business or any single independently operated business to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to give shares, cash or other assets to the transferor company or to shareholders of the transferor company;</p>
Statutory Reserve	<p>a reserve set aside in an amount equal to ten percent (10%) of the total amount of after-tax net profit for the period and other items adjusted to the then-current year's undistributed earnings other than after-tax net profit for the period as calculated by the Company under the Applicable Listing Rules;</p>
Subordinate Company	<p>any company (i) of which a majority of the total outstanding voting shares or the total amount of the capital stock is held by the Company; (ii) in which the Company has a direct or indirect control over the management of the personnel, financial or business operation of that company; (iii) of which a majority of directors in such company are contemporarily acting as directors in the Company; or (iv) of which a majority of the total outstanding voting shares or the total amount of the capital stock of such companies and that of the Company are held by the same Members;</p>

TDCC	the Taiwan Depository & Clearing Corporation;
TPEx	the Taipei Exchange, originally named as GrTai Securities Market (GTSM), in Taiwan;
Treasury Shares	Shares that have been purchased by the Company and have not been cancelled but have been held continuously by the Company since they were purchased, in accordance with the Law; and
TWSE	the Taiwan Stock Exchange Corporation.

- (2) Unless the context otherwise requires, expressions defined in the Law and used herein shall have the meanings so defined.
- (3) In these Articles unless the context otherwise requires: words importing the singular number shall include the plural number and vice-versa; words importing the masculine gender shall include the feminine gender and neuter genders; a notice provided for herein shall be in writing unless otherwise specified and all reference herein to "in writing" and "written" shall include printing, lithography, photography and other modes of representing or reproducing words in permanent visible form; and "may" shall be construed as permissive and "shall" shall be construed as imperative.
- (4) Headings used herein are intended for convenience only and shall not affect the construction of these Articles.

## SHARES

Subject to the Law and these Articles and any resolution of the Members to the contrary, the Board may, in respect of all Shares for the time being unissued:

- (a) offer, issue and allot of such Shares to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine, but so that no Share shall be issued at a discount, except in accordance with the provisions of the Law and the Applicable Listing Rules; and
- (b) grant options with respect to such Shares and issue warrants or similar instruments with respect thereto, in accordance with the provisions of the Law and Applicable Listing Rules; and, for such purposes, the Board may reserve an appropriate number of Shares for the time being unissued.

Subject to Article 5 and the sufficiency of the authorised share capital of the Company, the Company may issue Shares of different Classes with rights which are preferential or inferior to those of ordinary Shares issued by the Company (“**Preferred Shares**”) with the approval of a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors.

(1) Where the Company is to issue Preferred Shares, the following shall be expressly set out in these Articles:

- (a) the total number of Preferred Shares that have been authorised to be issued and the numbers of the Preferred Shares already issued;
- (b) the order, fixed amount or fixed ratio of allocation of dividends, bonuses and other distributions on such Preferred Shares;



- (c) the order, fixed amount or fixed ratio of allocation of surplus assets of the Company, upon its liquidation, to the holders of the Preferred Shares;
  - (d) the order of or restrictions on the voting right(s) (including, where applicable, a statement that such Preferred Shares have no voting rights whatsoever) of the holders of such Preferred Shares;
  - (e) other matters concerning rights and obligations incidental to the Preferred Shares; and
  - (f) the method by which the Company is authorised or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply.
- (2) Subject to the Law, the Memorandum and these Articles shall be amended with the sanction of a Special Resolution to stipulate the rights, benefits and restrictions of such Preferred Shares and the number of the Preferred Shares the Company is authorised to issue.

Subject to the sufficiency of the authorised share capital of the Company and these Articles, the issue of new ordinary Shares in the Company shall be approved by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors.

- (1) The Company shall issue Shares without printing share certificates, provided that the Register shall be conclusive evidence of the entitlement of a Person to Shares recorded against his/her/its name. During the Relevant Period, whenever the Company issues Shares, the Company shall, in compliance with the Law and the Applicable Listing Rules and subject to receipt of the subscription price from each subscriber, deliver or cause the Shareholder Service Agent to deliver Shares by advising TDCC to record the number of Shares against the name of each subscriber within thirty (30) days from the date the Board resolves to issue Shares. The Company shall make a public announcement in accordance with the Applicable Listing Rules prior to the delivery of such Shares.
- (2) When the total number of Shares in every issuance has been subscribed to in full, the Company shall immediately request each of the subscribers for payment. Where the Company issues Shares at a premium, the amount in excess of par value shall be collected at the same time with the payment for Shares. Where a subscriber delays payment for Shares as mentioned above, the Company shall prescribe a period of not less than one (1) month and call upon each subscriber to pay up, declaring that in case of default of payment within that prescribed period the subscriber's right shall be forfeited. After the Company have made the aforesaid call, the subscribers who fail to pay accordingly shall forfeit their rights and the Shares subscribed to by them shall be otherwise sold. Under such circumstances, the Company may hold the subscriber liable for compensating the damage, if any, resulting from such default in payment.
- (3) The Company shall not issue bearer Shares.
- (4) The Company shall not issue any unpaid Shares or partial paid-up Shares to any Person. For the avoidance of doubt, a subscriber who fails to pay up the Shares pursuant to Paragraph (2) of this Article will not be considered a Member until the Shares to be subscribed are paid in full, and only if the Shares the subscriber subscribed have been paid in full may the subscriber's name be entered in the Register.
- (5) The Company shall neither issue Shares without par value nor convert its Shares from Shares with par value to Shares without par value.

During the Relevant Period:

- (a) upon each issuance of new Shares, the Board may reserve not more than fifteen percent (15%) of the new Shares for subscription by the Employees pursuant to the Law and the

Applicable Listing Rules; and

- (b) where the Company issues new Shares for cash consideration, after the Board reserving certain percentage of the new Shares for subscription by the Employees pursuant to Subparagraph (a) of this Article, the Company shall allocate ten percent (10%) (or such greater percentage as the Company by an Ordinary Resolution determines) of the total number of the new Shares to be issued for offering in the R.O.C. to the public unless (i) the Commission, the Emerging Market, the TPEX and/or the TWSE (where applicable) considers such public offering unnecessary or inappropriate or (ii) the Applicable Listing Rules provide otherwise.

During the Relevant Period, subject to an Ordinary Resolution, upon each issuance of new Shares, the Company shall, after reserving the portion of new Shares for subscription by the Employees and public offering in the R.O.C. pursuant to Article 8, first offer such remaining new Shares, by a public announcement and a written notice to each existing Member respectively, stating that in case any such existing Member fails to confirm his/her/its subscription within the prescribed period his/her/its subscription right shall be forfeited, for the subscription of each such existing Member in proportion to the number of Share(s) held by him/her/it, provided that:

- (a) where any fractional Share held by a Member is insufficient to subscribe for one new Share, the fractional Shares being held by several Members may be combined for joint subscription of one or more integral new Shares or for subscription of new Shares in the name of a single Member;
- (b) the existing Member(s) may assign and transfer his subscription right to other Persons independently of his original Shares; and
- (c) new Shares left unsubscribed may be offered to the public or to specific Persons through negotiation.

(1) Subparagraph (a) of Article 8 and Article 9 shall not apply whenever the new Shares are issued due to the following reasons:

- (a) in connection with a Merger or a Consolidation of the Company or a Spin-off of the Company's business, or pursuant to any reorganisation of the Company save as otherwise provided by these Articles;
- (b) in connection with meeting the Company's obligation under Share subscription warrants and/or options granted to the Employees;
- (c) in connection with distribution of the Employees' compensation;
- (d) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to acquire Shares;
- (e) in connection with meeting the Company's obligation under Share subscription warrant or Preferred Shares vested with rights to acquire Shares; or
- (f) in connection with issuance of new Shares to the existing Members by capitalisation of the Company's reserves in accordance with these Articles.

(2) Article 8 and Article 9 shall not apply to any of the following circumstances:

- (a) the Company, as the surviving company, issues new Shares for a Merger, or the Company issues new shares for the Merger between its subsidiary and other companies;
- (b) all new Shares are issued as consideration for being acquired by the other company with the intention of takeover;
- (c) all new Shares are issued as consideration for the acquisition of issued shares, business, or

assets of other companies;

- (d) new Shares are issued for the share exchange entered into by the Company,
  - (e) new Shares are issued for a Spin-off effected by the transferor company;
  - (f) new Shares are issued in connection with any Private Placement conducted pursuant to Article 11-2(1); or
  - (g) new Shares are issued in connection with any other event otherwise prohibited, limited, restricted or exempted to so apply pursuant to the Law and/or the Applicable Listing Rules.
- (3) New Shares issued for any of the circumstances in the preceding paragraph may be paid up in cash or assets as required for the business of the Company.

Subject to the Applicable Listing Rules, the Company may, upon adoption of a resolution passed by a majority of the Directors present at a meeting of the Board attended by two-thirds or more of the total number of Directors, enter into a share subscription right agreement with the Employees whereby such Employees may subscribe, within a specific period of time, for a specific number of Shares of the Company at an agreed subscription price. Upon execution of the said agreement, the Company shall issue to each of such Employees a share subscription warrant. Such issued share subscription warrant shall be non-assignable, except for transfer by inheritance or intestacy.

11-1. The Company may, subject to approval of Shareholders by way of Special Resolution, issue new Shares with restricted rights as approved by such Special Resolution to Employees of the Company and/or its Subordinate Companies, provided that Articles 8 and 9 shall not apply. In respect of the issuance of Shares to Employees in the preceding sentence, the number of Shares to be issued, issue price, issue conditions, restrictions and other matters shall be subject to the Applicable Listing Rules and the Law.

11-2. (1) During the Relevant Period and subject to the Applicable Listing Rules, the Company may, with the sanction of a Special Resolution, conduct a Private Placement of equity-type securities with any of the following Persons in the R.O.C.:

- (a) banks, bills finance enterprises, trust enterprises, insurance enterprises, securities enterprises, or other Juristic Persons or institutions approved by the Commission;
- (b) natural persons, Juristic Persons, or funds meeting the conditions prescribed by the Commission; or
- (c) directors, supervisors, officers and managers of the Company or its affiliated enterprises.

(2) A Private Placement of ordinary corporate bonds may be carried out by the Company in installments within one year of the date of the resolution of the Board.

The Company may by a Special Resolution reduce its share capital in the manner authorised, and subject to any conditions prescribed, by the Law and the Applicable Listing Rules.

During the Relevant Period, any issuance, conversion or cancellation of the Shares or any other equity securities (including but not limited to warrants, options or bonds), capitalisation and shareholder services, shall comply with the Law, the Applicable Listing Rules and the Regulations Governing the Administration of Shareholder Services of Public Companies of the R.O.C.

## **MODIFICATION OF RIGHTS**

Whenever the share capital of the Company is divided into different Classes of Shares, including

where Preferred Shares are issued, subject to Article 41 and in addition to a Special Resolution, the special rights attached to any Class shall be varied or abrogated with the sanction of a Special Resolution passed at a separate general meeting of the holders of the Shares of such Class. To every such separate general meeting and all adjournments thereof, all the provisions of these Articles relating to general meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply.

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

## **REGISTER**

Subject to the Law, the Board shall cause to be kept the Register at such place within or outside the Cayman Islands as it deems fit. During the Relevant Period, the Register shall be entered therein the particulars required under the Law and the Applicable Listing Rules, and shall be made available at its Shareholder Service Agent's office in the R.O.C. The Board or any other authorized conveners of general meetings of the Company may request that the Company or the Company's Shareholder Service Agent provide a copy of the Register for inspection.

Notwithstanding anything contained in these Articles and subject to the Law, during the Relevant Period, the relevant information of the Members shall be recorded by TDCC, and the Company shall recognize each person identified in the records provided by TDCC to the Company as a Member and such records shall form part of the Register as at the date of receipt of such records by the Company.

## **REDEMPTION AND REPURCHASE OF SHARES**

All Preferred Shares may be redeemed in accordance with the provisions of the Law, provided that the privileges accorded to holders of the Preferred Shares by these Articles shall not be impaired under the Law and the Applicable Listing Rules.

- (1) Subject to the Law, the Applicable Listing Rules and Paragraph (3) of this Article, upon the approval of a majority of the Directors present at a Board meeting attended by two-thirds or more of Directors, the Company may purchase its own Shares, for cancellation, upon such terms and manner and subject to such conditions as the Board thinks fit, and such Shares shall be treated as cancelled immediately on purchase.
- (2) Subject to the Law, the Applicable Listing Rules and Paragraph (3) of this Article, upon the approval of a majority of the Board present at a Board meeting attended by two-thirds or more of Directors, the Company may purchase its own Shares, to be held as Treasury Shares, upon such terms and manner and subject to such conditions as the Board thinks fit, PROVIDED ALWAYS that such purchase is effected in accordance with the provisions of the Law.
- (3) During the Relevant Period, the resolutions of Board approving a purchase of Shares, how such resolutions are implemented, and the failure of any purchase of Shares as approved by such resolutions (if any) shall be reported to the Shareholders at the next general meeting.
- (4) Subject to the Law, for so long as the Company holds Treasury Shares:
  - (a) the Company shall be entered in the Register as holding the Treasury Shares;
  - (b) the Company shall not be treated as a Member for any purpose and shall not exercise any

right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;

(c) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued Shares at any given time, whether for the purposes of these Articles or the Law; and

(d) no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up) may be made to the Company, in respect of a Treasury Share.

(5) During the Relevant Period, subject to the Law, except purchases of Shares carried out pursuant to Article 19-1(1), the number of Shares to be purchased by the Company from time to time shall not exceed ten percent (10%) of the total number of issued and outstanding Shares.

19-1.(1) Subject to the Law and the Applicable Listing Rules, the Company may carry out a compulsorily purchase and cancellation of its Shares on a pro rata basis (rounded up or down to the nearest whole number) among the Shareholders in proportion to the number of Shares held by each such Shareholder subject to approval by a Special Resolution. The purchase price payable to the Shareholders in connection with a purchase of Shares described in the preceding sentence may be paid in cash or in kind. Any purchase price to be paid in kind shall be subject to approval by a Special Resolution and shall be subject to individual consent by the Shareholder(s) receiving such payment in kind. Prior to convening the general meeting for approving such purchase of Shares, the Board shall determine the monetary equivalent value of any purchase price to be paid in kind and have such value audited and certified by a certified public accountant in the R.O.C.

(2) For the avoidance of doubt, where the proposed purchase and cancellation of Shares is not on a pro rata basis, subject to the Law and the Applicable Listing Rules, the Board is empowered to authorize and carry out such repurchase without approval by Special Resolution in accordance with the preceding paragraph.

(1) Where the Company holds Treasury Shares, the Company may, in accordance with the Law:

(a) cancel any or all of the Treasury Shares; or

(b) transfer any or all of the Treasury Shares to the Employees, the terms of such transfer and qualifications of such employees shall be determined by the Board, subject to Paragraph (3) of this Article. The Board may impose a lock-up period restricting the transfer of any Treasury Shares transferred to the employees pursuant to this Paragraph (1) for a term of up to two (2) years.

(2) A sum equal to the consideration (if any) received by the Company pursuant to the transfer of Treasury Share(s) shall be credited in accordance with the Law.

(3) Subject to Paragraph (4) of this Article and the Law, the Company may, by way of a Special Resolution passed at the immediate preceding general meeting of the Company, transfer the Treasury Shares to the Employees for a price that is below the average price that the Company has paid to purchase such Treasury Shares (the "**Discount Transfer**"), provided that the following matters shall be specified in the notice of such general meeting with the description of their major contents, and shall not be proposed as ad hoc motions:

(a) the transfer price of the Treasury Shares as determined by the Board, the discount rate used for the Discount Transfer, and the calculation basis of the Discount Transfer, and the basis of such determination;

(b) the amount of the Treasury Shares to be transferred pursuant to, and the purpose of, the Discount Transfer, and the basis of such determination;

- (c) the qualification and terms of the Employees to whom the Treasury Shares are transferred and the amount of Treasury Shares for which such Employees may subscribe pursuant to the Discount Transfer;
  - (d) matters that the Board is of the opinion that may affect Shareholders' rights, including:
    - (i) any expenses that may be incurred and dilution of per share profit, if any, due to the Discount Transfer in accordance with the Applicable Listing Rules; and
    - (ii) any burden on the Company caused by the Discount Transfer in accordance with the Applicable Listing Rules.
- (4) The total aggregate amount of the Treasury Shares that are transferred to the Employees pursuant to the Discount Transfer in accordance with Paragraph (3) of this Article shall not exceed five percent (5%) of the total number of issued and outstanding Shares of the Company, and the aggregate amount of the Treasury Shares transferred to each Employee shall not exceed point five percent (0.5%) of the total number of issued and outstanding Shares of the Company.

### **TRANSFER AND TRANSMISSION OF SHARES**

Subject to the Law and Applicable Listing Rules and unless otherwise provided by these Articles, the Shares shall be freely transferable.

The Company shall not be obligated to recognize any transfer or assignment of Shares unless the name/title and residence/domicile of the transferor and transferee have been recorded in the Register. The registration of transfers may be suspended when the Register is closed in accordance with Article 24.

### **NON-RECOGNITION OF TRUSTS**

Except as required by law, no person shall be recognised by the Company as holding any Share upon any trust, and the Company shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or actual interest in any Share (except only as otherwise provided by these Articles, the Law or law otherwise requires or under an order of a court of competent jurisdiction) or any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.

### **CLOSING REGISTER OR FIXING RECORD DATE**

- (1) The Board may fix in advance the record date(s) for (a) determining the Members entitled to receive any dividend, distribution or issue; (b) determining the Members entitled to receive notices of, attend or vote at any general meeting or any adjournment thereof in person, by proxy or by way of electronic transmission; and (c) any other purposes as determined by the Board. In the event the Board designates the record date(s) for (b) in accordance with this Article, such record date(s) shall be date(s) prior to the general meeting.
- (2) During the Relevant Period, subject to the Law, for the purposes of (a) determining the Members entitled to receive any dividend, distribution or issue; and (b) determining the Members entitled to receive notices of, attend or vote at any general meeting or any adjournment thereof, the Board shall fix the period that the Register shall be closed for transfers (the "Book Closure Period") at least for a period of sixty (60) days before the date of each annual general meeting, thirty (30) days before the date of each extraordinary general meeting and five (5) days before the target date for a dividend, bonus or other distribution. For the purpose of calculating the Book Closure Period, the respective convening date of the general meeting or the relevant target date shall be included.

## **GENERAL MEETINGS**

The Company shall in each year hold a general meeting as its annual general meeting within six months after close of each financial year or such other period as may be permitted by the Emerging Market, the TPEX or the TWSE (where applicable). The annual general meeting shall be convened by the Board.

All general meetings other than annual general meetings shall be called extraordinary general meetings. The Board may, whenever they think fit, convene an extraordinary general meeting of the Company.

During the Relevant Period, all general meetings shall be held in the R.O.C.. At any time other than during the Relevant Period, the Board may convene any general meeting at such place as it deems fit.

- (1) Any one or more Member(s) holding at least three percent (3%) of the total issued Shares of the Company for a period of one (1) year or a longer time may, by depositing the requisition notice specifying the proposals to be resolved and the reasons, request the Board to convene an extraordinary general meeting. If the Board does not give notice to Members to convene such meeting within fifteen (15) days after the date of the requisition notice, the proposing Member(s) may convene a general meeting.
- (2) Any one or more Member(s) continuously holding more than half of the total issued Shares of the Company for a period of no less than three (3) months may convene an extraordinary general meeting. The number of Shares held by such Member or Members and the holding period of which such Member or Members hold such Shares shall be calculated and determined based on the Register as of the first day of the Book Closure Period.
- (3) In addition to the circumstance where the Board should have convened a general meeting but does not or is unable to convene a general meeting pursuant to the Law, the Applicable Listing Rules or these Articles, an Independent Director from the audit committee of the Company may also, for the benefit of the Company, call a general meeting when it is deemed necessary.

During the Relevant Period, the Company shall engage a Shareholder Service Agent within the R.O.C. to handle the administration of general meetings, including but not limited to, the voting matters.

## **NOTICE OF GENERAL MEETING**

- (1) During the Relevant Period, at least thirty (30) days notice of an annual general meeting and fifteen (15) days notice of an extraordinary general meeting shall be given to each Member, and the Company may make a public announcement of a notice of general meeting to Members holding less than 1,000 Shares instead of delivering the same to each Member. The period of notice shall be exclusive of the day on which it is served and of the day on which the general meeting is to be held. Such notice shall be in writing, shall specify the place, the day and the time of meeting and the agenda and the proposals to be resolved at the general meeting and shall be given in the manner hereinafter described or be given via electronic communications if previously consented by the Members and permitted by the Law and the Applicable Listing Rules.
- (2) At any time other than the Relevant Period, at least five (5) days notice in writing shall be given of an annual general meeting or any other general meeting PROVIDED HOWEVER that notice may be waived by all the Member either at or before the meeting is held PROVIDED FURTHER

that notice or waiver thereof may be given by telex or telefax. At any time other than the Relevant Period, a general meeting may be convened by such shorter notice or without notice with the consent of a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five percent in nominal value of the Shares giving that right.

- 30-1. (1) During the Relevant Period, the Company shall make public announcements with regard to notice of general meeting, proxy form, summary information and details about items to be proposed at the meeting for approval, discussion, election or dismissal of Directors at least thirty (30) days prior to any annual general meeting or at least fifteen (15) days prior to any extraordinary general meeting.
- (2) During the Relevant Period, if the Company allows the Shareholders to exercise the votes and cast the votes in writing or by way of electronic transmission in accordance with Article 51, the Company shall also send to the Shareholders the information and documents as described in the preceding paragraph, together with the voting right exercise forms.

The following matters shall not be considered, discussed or proposed for approval at a general meeting unless they are specified in the notice of general meeting with the description of their major contents; the major contents may be posted on the website designated by the R.O.C. competent authorities or the Company, and such website shall be indicated in the notice:

any election or removal of Director(s);

any alteration of the Memorandum and/or these Articles;

any capital reduction or compulsory purchase and cancellation of Shares pursuant to Article 19-1(1);

applying for the approval of ceasing the status as a public company;

any dissolution, voluntary winding-up, Merger, Consolidation, share exchange or Spin-off of the Company;

entering into, amending, or terminating any contract for lease, management or regular joint operation of the Company's whole business;

the transfer of the whole or any material part of the Company's business or assets;

the acquisition of the whole business or assets of a Person, which has a material effect on the operation of the Company;

carrying out a Private Placement of any equity-type securities;

granting a waiver to a Director's non-competition obligation or approving a Director to engage in activities in competition with the Company;

distributing dividends, bonus or other distributions in whole or in part by way of issuance of new Shares; and

capitalisation of the Company's Statutory Reserve, the Share Premium Account and/or the income from endowments received by the Company in the Capital Reserve, by issuing new Shares and/or cash to its existing Members.

During the Relevant Period, the Company shall prepare a manual for each general meeting, and such manual and relevant materials shall be published on the website designated by the Commission and the Emerging Market, the TPEX or the TWSE (where applicable) twenty-one (21) days prior to the scheduled date of the relevant annual general meeting and fifteen (15) days prior to the scheduled date of the relevant extraordinary general meeting pursuant to the Applicable Listing Rules.



The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any Member entitled to receive notice shall not invalidate the proceedings of that general meeting.

### **PROCEEDINGS AT GENERAL MEETINGS**

No business, other than the appointment of a chairman of the meeting, shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as otherwise provided by these Articles, at least two Members present in person or by proxy or (in the case of a Member being a corporation) by its duly authorised representative representing more than one-half of the total issued and outstanding Shares with voting rights shall be a quorum of Members for all purposes.

- (1) One or more Member(s) holding one percent (1%) or more of the total issued Shares of the Company may submit to the Company not more than one proposal in writing or by way of electronic transmission for resolution at an annual general meeting.
- (2) Prior to the commencement of the period in which the Register is closed for transfers before an annual general meeting, the Company shall make a public announcement of the place and the period for Members to submit proposals; provided that the period for submitting such proposals shall not be less than ten (10) days.
- (3) The Member who has submitted a proposal shall attend, in person or by a proxy, such general meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.
- (4) The Board shall include a proposal submitted by Member(s) unless:
  - (a) the proposal involves matters which cannot be settled or resolved at a general meeting under the Law, the Applicable Listing Rules and these Articles;
  - (b) the number of Shares held by the proposing Member(s) is less than one percent (1%) of the total issued Shares in the Register upon commencement of the period in which the Register is closed for transfers before the relevant annual general meeting of the Company;
  - (c) the proposal contains more than one matter;
  - (d) the proposal contains more than three hundred (300) words; or
  - (e) the proposal is submitted after the expiration of the specified period announced by the Company for submitting proposals.
- (5) If a proposal submitted by Member(s) is intended to urge the Company to promote public interests or fulfil its social responsibilities, the Board may include the proposal notwithstanding that one of the circumstances set forth in the preceding Paragraph (4) of this Article applies.
- (6) The Company shall, prior to the despatch of a notice of the relevant annual general meeting, inform all the proposing Members of whether their proposals are accepted or not, and shall list in the notice of the relevant annual general meeting all the accepted proposals. The Board shall explain at the relevant annual general meeting the reasons for excluding any proposal submitted by Members.

The Chairman shall preside as chairman at every general meeting of the Company convened by the Board. For a general meeting convened by any Person other than the Board, such Person shall act as the chairman of that meeting; provided that if there are two or more Persons jointly convening such meeting, the chairman of the meeting shall be elected from those Persons.

If at any general meeting the Chairman is not present or is unwilling to act as chairman, he shall appoint one of the Directors to act on his behalf. In the absence of such appointment, the Directors present may choose one of them to be the chairman of that general meeting.

A general meeting may be adjourned by the Company by an Ordinary Resolution from place to place within five (5) days, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for more than five (5) days, notice of the time and location of the adjourned meeting shall be given as in the case of an original meeting.

At any general meeting, a resolution put to the vote of the meeting shall be decided on a poll.

Unless otherwise expressly required by the Law, the Applicable Listing Rules or these Articles, any matter proposed for approval by the Members at a general meeting shall be passed by an Ordinary Resolution.

- (1) Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution:
- enter into, amend, or terminate any contract for lease, management or regular joint operation of its whole business;
  - transfer the whole or any material part of its business or assets;
  - acquire the whole business or assets of a Person, which has a material effect on the operation of the Company;
  - distribute dividends, bonus or other distributions in whole or in part by way of issuance of new Shares;
  - effect any Spin-off of the Company;
  - enter into any share exchange;
  - authorise a plan of Merger or Consolidation involving the Company;
  - resolve that the Company be wound up voluntarily;
  - carry out Private Placement;
  - grant a waiver to a Director's non-competition obligation, or approve a Director to engage in activities in competition with the Company;
  - change its name;
  - change the currency denomination of its share capital;
  - increase the share capital by such sum, to be divided into new Shares of such Classes of such par value, as the resolution shall prescribe;
  - consolidate and divide all or any of its share capital into Shares of a larger par value than its existing Shares;
  - subdivide its existing Shares, or any of them, into Shares of a smaller par value than is fixed by the Memorandum;
  - cancel any Shares that, at the date of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled;
  - subject to these Articles (including without limitation Articles 14 and 15), alter or amend the Memorandum or these Articles, in whole or in part;
  - reduce its share capital and any fund of the capital redemption reserve in any manner authorised by the Law and the Applicable Listing Rules;

appoint an inspector to examine the affairs of the Company under the Law;  
issue new Shares to Employees of the Company and/or its Subordinate Companies subject to any restrictions and conditions in accordance with Article 11-1;  
subject to these Articles, capitalisation or distribution of the Statutory Reserve of the Company, the Share Premium Account of the Company and/or the Capital Reserve from endowments received by of the Company by issuing new Shares or paying in cash to its existing Member in proportion to the number of Shares being held by each of them; and  
apply for an approval of ceasing its status as a public company.

- (2) Notwithstanding anything contained in these Articles, unless otherwise provided by the Law and the Applicable Listing Rules, in case the Company is dissolved after participating in the merger/consolidation or the Company is delisted from the TPEX or TWSE due to the general transfer (or the assignment of all rights and delegation of all duties of the Company), the transfer of business or assets of the Company, any share exchange or any Spin-off entered into or carried out by the Company while the surviving, transferee, existing or newly incorporated company is not a listed company (including TWSE/TPEX listed company), any such action aforementioned shall be approved by the affirmative vote of at least two-thirds (2/3) of the total votes cast by the Members of the Company.

Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution resolve that the Company be wound up voluntarily if the Company is unable to pay its debts as they fall due.

- (1) Subject to the compliance with the Law, in the event any of the resolutions with respect to the matter(s) as set out in Paragraphs (a), (b) or (c) of Article 41(1) is adopted at a general meeting, a Member who has notified the Company in writing of his objection to such proposal prior to that meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair price; provided, however, that no Member shall have the abovementioned appraisal right if the resolution to be adopted is in relation to the matter(s) set out in Paragraph (b) of Article 41(1) and at the same meeting the resolution for the winding up of the Company is also adopted.
- (2) Subject to the compliance with the Law, in the event that the Company resolves to carry out any Spin-Off, Consolidation or Merger, acquisition or share exchange (collectively, the "Merger and Acquisition"), a Member expressing his dissent in accordance with the Applicable Listing Rules may request the Company to purchase all of his Shares at the then prevailing fair price.
- (3) Without prejudice to the Law, in the event the Company and a Member making a request pursuant to Paragraph(2) of this Article fail to reach an agreement on the purchase price within sixty (60) days following the date of the resolution, the Company shall, within thirty (30) days after such sixty (60) days period, file a petition against all Members who fail to reach such an agreement (collectively, the "Dissenting Members") with the R.O.C. Courts for a ruling on the appraisal price, and may designate Taiwan Taipei District Court of the R.O.C. as the court of first instance
- (4) Without prejudice to the Law, a Member making a request pursuant to Paragraphs (1) or (2) of this Article shall make such request in writing within twenty (20) days after the date of the general meeting adopting resolutions with respect to the matter(s) as set out in Subparagraph (a), (b) or (c) of Paragraph (1) of Article 41 or the Merger and Acquisition, and specify the repurchase price. If the Member and the Company reach an agreement on the repurchase price, the Company shall pay for the Shares to be repurchased within ninety (90) days after the date of the general meeting adopting such resolutions. In case no agreement is reached, the Company shall pay the fair repurchase price determined at its discretion to the Dissenting Members with

whom the Company fail to reach an agreement within ninety (90) days after the date of the general meeting adopting such resolutions. If the Company fails to pay the price, it shall be considered to have accepted the repurchase price proposed by such Dissenting Members.

(5) Notwithstanding Paragraphs (2), (3) and (4) of this Article, nothing under this Article shall restrict or prohibit a Member from exercising his right under section 238 of the Companies Law (2020 Revision) of the Cayman Islands and any amendment or other statutory modification thereof to payment of the fair value of his shares upon dissenting from a Consolidation or Merger.

In case the procedure for convening a general meeting in which a resolution is adopted or the method of adopting a resolution is in violation of the Law, the Applicable Listing Rules or these Articles, a Member may, if and to the extent permitted under the Law, within thirty (30) days from the date of the resolution, submit a petition to Taiwan Taipei District Court, as applicable, for an appropriate remedy, including but not limited to, requesting the court to invalidate and cancel the resolution adopted therein.

Notwithstanding anything to the contrary provided for in these Articles, at any time other than during the Relevant Period, a resolution (including a Special Resolution) in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorized representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

The proceedings regarding general meetings and the voting in general meetings not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by the Company by an Ordinary Resolution from time to time, which shall be in compliance with the Law and the Applicable Listing Rules.

## **VOTES OF MEMBERS**

Subject to any rights and restrictions as to voting for the time being attached to any Share by or in accordance with these Articles, at any general meeting, every Member present in person (or in the case of a Member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each Share registered in his/her/its name in the Register.

In the case of joint Members, the joint Members shall select a representative among them to exercise their voting powers and the vote cast by such representative, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Members.

48-1. A Shareholder who holds Shares for the benefit of others need not use all his votes or cast all the votes he holds in the same way as he uses his votes in respect of share he holds for himself. The qualifications, scope, methods of exercise, operating procedures and other requirements for separate votes shall be in compliance with the Applicable Listing Rules.

Any corporation which is a Member of the Company may, by resolution of its board or other governing body, authorise such natural person as it thinks fit to act as its representative at any general meeting or at any meeting of a Class of Members of the Company.

(1) Subject to the Law and the Applicable Listing Rules, shares held by the following persons shall not be counted in the total number of issued Shares of the Company which are entitled to vote for when calculating the quorum at a general meeting and Members belonging to the following persons shall abstain from voting in respect of all Shares held by them:

- (a) the Company itself (if such holding is permitted by the Law);
  - (b) any entity in which the Company is legally or beneficially interested in more than fifty percent (50%) of its issued and voting share capital or equity capital; or
  - (c) any entity in which the Company and (i) its holding company, and (ii) its Subordinate Company are legally or beneficially, directly or indirectly, interested in more than fifty percent (50%) of its issued and voting share capital or equity capital.
- (2) Any Member who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a general meeting shall abstain from voting in respect of all the shares that such Member should otherwise be entitled to vote, on his behalf or as a proxy or corporate representative, with respect to the said matter. Any and all votes cast by such Member(s) shall not be counted in determining the number of votes for or against such matter.
- (3) Where any Director, who is also a Shareholder of the Company, creates or has created any charge, mortgage, encumbrance or lien in respect of Shares held by such Director (the "Charged Shares") exceeding fifty percent (50%) of total Shares held by such Director at the time of his/her latest appointment as Director, such Director shall refrain from exercising its voting rights on the Shares representing the difference between the Charged Shares and fifty percent (50%) of total Shares held by such Director at the time of his/her latest appointment as Director, and such Shares shall not be counted toward the number of votes represented by the Shareholders present at a general meeting nor quorum at such general meeting.
- (1) To the extent permitted by the Law and subject to the Applicable Listing Rules, the Board may resolve 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, however, that the Company shall provide the Members with a method for exercising their voting power by way of a written ballot or electronic transmission if a general meeting is to be held outside the ROC or otherwise required under the Applicable Public Company Rules. The method for exercising such voting power shall be described in the general meeting notice to be given to the Members if the voting power may be exercised by way of a written ballot or electronic transmission. Notwithstanding the foregoing, where the Company conform to the Applicable Scope of Listing Companies to Conduct Electronic Voting announced by the competent authority in the R.O.C., the Company shall adopt the electronic transmission as one of the methods for exercising the voting power of a Member.
- (2) Any Member who intends to exercise his voting power by way of a written ballot or by way of electronic transmission shall serve the Company with his voting decision at least two (2) days prior to the date of such general meeting. Where more than one voting decision are received from the same Member by the Company, the first voting decision shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous voting decision in the later-received voting decision.
- (3) A Member who exercises his voting power at a general meeting by way of a written ballot or by electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to vote his shares at the general meeting only in the manner directed by his written instrument or electronic document. The chairman of the general meeting as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electronic document and/or any amendment to resolution(s) proposed at the said general meeting. For the purpose of clarification, such Members voting in such manner shall be deemed to have waived their voting rights with respect to any extemporary matters or amendment to resolution(s) proposed at the general meeting.

\Subject to Article 56, in case a Member who has cast his votes by a written ballot or by way of electronic transmission intends to attend the relevant general meeting in person, he shall, at least two (2) day prior to the date of the general meeting, revoke such votes by serving a notice in the same manner as he cast such votes. In the absence of a timely revocation of such votes, such votes shall prevail.

### **PROXY**

(1)A Member may appoint a proxy to attend a general meeting on his behalf by executing a proxy form produced by the Company stating therein the scope of power authorized to the proxy. A proxy need not be a Member.

(2)Subject to the Law and unless otherwise provided in these Articles, forms of instrument of proxy for use at a general meeting shall be produced by the Company specifying therein (a) the instructions for filling out the form, (b) the signature requirements, (c) the matters to be voted upon pursuant to such proxy and basic identification information of the Member as appointor, the proxy solicitor (if any) and the proxy, and shall be sent out together with the notice of general meeting to all Members on the same day.

A Member may only appoint one proxy for each general meeting irrespective of how many shares he holds and shall serve an executed proxy in compliance with the preceding Article to the Company or its Shareholder Service Agent as the case may be no later than five (5) days prior to the date of the general meeting. In case the Company receives two or more proxies from one Member, the one received first by the Company shall prevail unless an explicit statement by the Member to revoke such proxy is made in the subsequent proxy, provided this subsequent proxy is received no later than five (5) days prior to the date of the general meeting.

In case a Member who has served a proxy intends to attend the relevant general meeting in person, he shall, at least two (2) days prior to the date of the general meeting, revoke such proxy by serving a written notice to the Company or Shareholder Service Agent; otherwise, the votes cast by the proxy at the general meeting shall prevail.

In case a Member has cast his votes by a written ballot or by way of electronic transmission pursuant to Article 51, and has also authorized a proxy to attend the relevant general meeting on his behalf, the votes cast by the proxy shall prevail.

Except for trust enterprises or shareholder service agencies duly licensed under the R.O.C. competent authorities or the chairman of a general meeting who is deemed appointed as proxy pursuant to Paragraph (3) of Article 51, where a Person acts as a proxy for two or more Members, the number of voting Shares that the proxy may vote in respect thereof shall not exceed three percent (3%) of the total number of issued and outstanding voting Shares; otherwise, such number of voting Shares in excess of the aforesaid threshold shall not be counted towards the number of votes cast for or against the relevant resolution or the number of voting Shares present at the relevant general meeting but shall be included in the quorum. Upon such exclusion, the number of voting Shares being excluded and attributed to each Member represented by the same proxy shall be determined on a pro-rata basis based on the total number of voting Shares being excluded and the number of voting Shares that such Members have appointed the proxy to vote for.

The use and solicitation of proxies shall be subject to, the Law and the Applicable Listing Rules (in particular, the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies of the R.O.C.).

## DIRECTORS AND THE BOARD

- (1)The Board shall consist of not less than five (5) Directors (including Independent Directors). Subject to the foregoing, the number of Directors to be elected and hold the office shall be stated in the notice of the general meeting in which an election of Directors will be held.
- (2)A Director can be a natural person or a Juristic Person. Where a Director is a Juristic Person, it shall designate a natural person as its authorized representative to exercise, on its behalf, the powers of a Director and may replace such representative from time to time so as to fulfil its remaining term of the office. A Director shall not be required to hold any Shares in the Company.
- (3)Directors shall be elected by Members at general meetings. Notwithstanding any other provision of these Articles, the principle of cumulative voting shall apply in any election of Directors pursuant to this Article. Each Member entitled to vote in such election shall have a number of votes equal to the product of (i) the number of votes conferred by such Member's shares and (ii) the number of Directors to be elected at the general meeting. Each Member may divide and distribute such Member's votes, as so calculated, among any one or more candidates for the directorships to be filled, or such Member may cast such Member's votes for a single candidate. At such election, the candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be elected.
- (4)The proceedings and the voting regarding the election of Directors not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by an Ordinary Resolution from time to time, which shall be in compliance with the Law and the Applicable Listing Rules (in particular, the Methods of Election of Directors and Supervisors of R.O.C. Public Companies).

The Company adopts and applies a candidate nomination mechanism for election of the independent directors. Notwithstanding the foregoing, during the Relevant Period, a candidate nomination mechanism shall be adopted for election of all Directors. Upon adoption of candidate nomination mechanism, the Directors and Independent Directors shall be elected by the Members at a general meeting from among the nominees listed in the respective rosters of director candidates and independent director candidates. Subject to the Law and the Applicable Listing Rules, the Board may establish detailed rules and procedures for such candidate nomination.

Subject to these Articles, the term for which a Director shall hold office expire at the annual general meeting in the third year following the year of his/her/its election and until he/she/it is re-elected or his/her/its successor has been duly elected; thereafter he/she/it may be eligible for re-election. In case no election of new Directors is effected prior to the expiration of the term of office of existing Directors, the term of office of such existing Directors shall be extended until the time new Directors are elected and assume their office subject to these Articles.

- (1)Notwithstanding the preceding Article, a Director may be removed from office at any time by a Special Resolution adopted at a general meeting.
- (2)Without prejudice to other provisions of these Articles, the Directors may be put up for re-election at any time before the expiration of the term of office of such Directors. In the event where all Directors are subject for re-election at a general meeting before the expiration of the term of office of such Directors, subject to the successful election of the new Directors at the same meeting, the term of office of all current Directors is deemed to have expired on the date of the re-election if the Members do not resolve that all current Directors will only retire at the expiration of their present term of office or any other date as otherwise resolved by the Members at the general meeting.

A chairman of the Board (the “**Chairman**”) shall be elected from among the Directors and appointed in term by a majority of the Directors present at a Board meeting attended by at least two-thirds of all of the Directors then in office. The Chairman shall externally represent the Company and internally preside as the chairman at every Board meeting and at every general meeting convened by the Board. In the event the Chairman is not present at a meeting or cannot or will not exercise his power and authority for any cause, he shall designate one of the Directors to act on his behalf. In the absence of such designation, the Directors present at the meeting shall elect from among themselves an acting chairman.

The remuneration of a Director may differ from other Directors, and shall be determined by the Board, regardless of the Company profits or losses of respective years, based on (a) the extent of a Director's involvement with the operations of the Company, (b) the contribution of a Director to the Company, (c) the prevailing industry standard, (d) recommendation by the remuneration committee and (e) such other relevant factors.

When the number of Directors then in office falls below five (5) due to any Director(s) vacating his office for any reason, the Company shall hold an election for such number of Directors at the next general meeting to fill the vacancy for the remainder of the term of such outgoing Director(s). When the number of Directors then in office falls short by one-third of the total number of Directors initially constituting the existing Board, the Company shall convene an extraordinary general meeting within sixty (60) days of the occurrence of that fact for the purposes of electing such number of Directors to fill the casual vacancy.

Subject to these Articles, a Director other than an Independent Director may hold any other office (except that of Auditor) 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 Board may determine, and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.

- 66-1. (1) Without prejudice to the duties owed by a Director to the Company under common law of the Cayman Islands and subject to the Law, the Directors shall assume fiduciary duties to the Company and without limitation, the due care of a good administrator exercise due care and skill and act in the best interest of the Company in conducting the business operation of the Company, including matters in connection with Spin-off, Consolidation, Merger, or acquisition of the Company. A Director may be liable to the Company if he acts contrary to his duties. In circumstances where a Director breaches any of such duties and acts for his/her or other Person's interest, the Company may, with the sanction of an Ordinary Resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover any and all earnings derived from such act as if such misconduct is done for the benefit of the Company.
- (2) If a Director violates any law in the course of conducting the business of the Company, he shall be jointly and severally liable with the Company for the damages resulting from such violation.
- (3) The preceding two Paragraph of this Article shall apply, mutatis mutandis, to the officers of the Company and who are authorised to act on its behalf in a senior management capacity.



Subject to these Articles, a Director other than an Independent Director may act by himself or his firm in a professional capacity for the Company (except that of Auditor), and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

67-1. To the extent permitted by the Law, the Company may pay, or agree to pay, a premium in respect of a contract insuring each of the following persons against risks determined by the directors, other than liability arising out of that person's negligence and/or dishonestly: an existing or former director (including alternate director), secretary or officer or auditor of: the Company; a company which is a subsidiary of the Company; and a company in which the Company has or had an interest (whether direct or indirect).

67-2. The qualifications, election, removal, power, authority and other requirements for Directors (including Independent Directors), which are not covered by these Articles, shall be in compliance with the Applicable Listing Rules.

### **INDEPENDENT DIRECTORS**

During the Relevant Period, the number of Independent Directors of the Company shall not be less than three (3) or one-fifth of the total number of Directors at any time, whichever is greater. One (1) of the Independent Directors shall have resident status of the R.O.C. (such resident status being registered with local government authorities). Subject to the foregoing, the number of Independent Directors to be elected and hold the office shall be stated in the notice of the general meeting in which an election of Independent Directors will be held. When an Independent Director ceases to act, resulting in a number of Independent Directors then in office lower than the prescribed minimum number, an election for an Independent Director shall be held at the next general meeting. When all Independent Directors cease to act, the Company shall convene an extraordinary general meeting to hold an election of Independent Directors within sixty (60) days from the date on which the situation arose.

Independent Directors shall possess professional knowledge and shall maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions held by the Independent Directors shall be as prescribed by the Applicable Listing Rules, and the assessment of independence of such Independent Directors shall be in compliance with the Applicable Listing Rules. The Board or other Persons calling a general meeting at which an election for Independent Directors is proposed shall ensure that the requirements of this Article have been satisfied and complied with in relation to any candidate for Independent Director.

### **POWERS AND DUTIES OF THE BOARD**

(1) Subject to the Law, these Articles, the Applicable Listing Rules and any resolutions passed in a general meeting, the business of the Company shall be managed by the Board in such manner as it shall think fit, which may pay all reasonable expenses in connection with business management, including but not limited to expenses incurred in forming and registering the Company and may exercise all powers of the Company.

(2) If the Board fails to comply with the Applicable Listing Rules, these Articles and any resolutions passed in a general meeting in dealing with matters in connection with Spin-off, Consolidation, Merger, or acquisition of the Company, as a result of which the Company suffers damages, any Director involved in decision-making related thereto shall be liable to the Company in respect of the damages suffered by the Company. However, a Director may be exempted from the liability if the minutes of the Board meeting or written statement demonstrates such Director's dissent.

The Board may from time to time appoint any Person to hold such office in the Company as the Board may think necessary for the management of the Company, including but not limited to officers and managers, and for such term and at such remuneration as the Board may think fit. Any Person so appointed by the Board may be removed by the Board.

The Board may appoint a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as the Board thinks fit. Any Secretary or assistant Secretary so appointed by the Board may be removed by the Board. The Secretary shall attend all general meetings and shall keep correct minutes of such meetings. Subject to the Applicable Listing Rules, the Secretary shall also perform such other duties as are prescribed by the Law or as may be prescribed by the Board.

## **COMMITTEES**

Subject to the Law and the Applicable Listing Rules, the Board may, or the Company may by an Ordinary Resolution, establish any committee(s) and delegate any of their powers, authorities and discretions to such committee(s) (including but not limited to an audit committee and a remuneration committee) consisting of such member or members of their body or any other Persons as the Board thinks fit. Any committee(s) so formed shall, in the exercise of the powers, authorities and discretions so delegated, and in conducting its proceedings, conform to any regulations that may be imposed on it by the Board. If no regulations are imposed by the Board, the proceedings of a committee with two (2) or more members shall be, as far as is practicable, governed by these Articles regulating the proceedings of the Board.

- 73.1 (1) During the Relevant Period, prior to any resolution of the Merger and Acquisition by the Board, the audit committee of the Company shall review the fairness and reasonableness of the plan and transaction of the Merger and Acquisition, and then submit review results to the Board and the general meeting of the Company. However, the audit committee of the Company may elect not to submit the aforesaid review results to the Members at a general meeting if the Law provides that the Merger and Acquisition to be resolved requires no approval by the Members.
- (2) When reviewing the abovementioned matters, the audit committee of the Company shall seek opinions from an independent expert on the reasonableness of the share exchange ratio or the distribution of cash or other assets.
- (3) The Company shall send the review results of the audit committee of the Company and opinions of independent experts to all Members together with the notice of general meeting in which the Merger and Acquisition is to be resolved. However, the Company shall report the Merger and Acquisition to the Members at the most recent general meeting if the Law provides that the Merger and Acquisition to be resolved requires no approval by the Members.
- (4) If the Company posted the aforesaid review results and opinions of independent experts on a website designated by the R.O.C. competent authorities and arranged for the same documents to be made available at the venue of the general meeting of the Company for inspection by Members, those documents shall be deemed as having been sent to all Members.

## **DISQUALIFICATION AND VACATION OF OFFICE OF DIRECTORS**

- (1) The office of a Director shall be vacated, if such Director:
- (a) commits a felony (including but not limiting to an offence under Statute for Prevention of Organizational Crimes of the R.O.C.) and has been convicted thereof, and either (i) he has not started serving the sentence, (ii) he has not completed serving the sentence, or (iii) the time elapsed after completion of serving the sentence, expiration of the probation, or pardon is less than five (5) years;

- (b) has been imposed a final sentence involving imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and either (i) he has not started serving the sentence, (ii) he has not completed serving the sentence, or (iii) the time elapsed after completion of serving the sentence, expiration of the probation, or pardon is less than two (2) years;
  - (c) has been imposed a final sentence due to violation of the Anti-corruption Act, and either (i) he has not started serving the sentence, (ii) he has not completed serving the sentence, or (iii) the time elapsed completion of serving the sentence, expiration of the probation, or pardon is less than two (2) years;
  - (d) becomes bankrupt or is adjudicated of commencement of liquidation proceeding by a court under the laws of any jurisdiction, and has not been reinstated to his rights and privileges;
  - (e) has allowed cheques and other negotiable instruments to be dishonoured and the records thereof have not been cancelled or expunged by the relevant regulatory authorities;
  - (f) dies or an order has been made by any competent court or authority on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and such order has not been revoked, or his legal capacity is restricted according to the applicable laws;
  - (g) ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under any provisions of the Law and/or Applicable Listing Rules;
  - (h) ceases to be a Director by virtue of Article 75;
  - (i) resigns his office by notice in writing to the Company;
  - (j) is removed from office pursuant to these Articles; or
  - (k) has been ordered to be removed from office by the R.O.C. Courts on the grounds that such Director, in the course of performing his duties, committed serious violations of the Law, Applicable Listing Rules or these Articles, or acts resulting in material damage to the Company, upon a petition by the Company or Member(s) to the R.O.C. Courts.
- (2) In case a Director (other than Independent Director) has transferred some or all his Shares during the term of his office as a Director, such that the remaining Shares held by him are less than one half of the Shares being held by him at the time he was elected, he shall, ipso facto, cease to act as a Director and be removed from the position of Director automatically.
- (3) If a Director (other than Independent Director), after having been elected and before his inauguration of the office of a Director, has transferred some or all his Shares such that the remaining Shares are less than one half of the Shares be held by such Director at the time of his election or, within the Book Closure Period fixed prior to the general meeting, has transferred some or all his Shares such that the remaining Shares are less than one half of the Shares be held at the commencement of the Book Closure Period, his election as a Director shall be deemed invalid and void.

Except as approved by the Emerging Market, the TPEX, the TWSE or the Commission (where applicable), the following relationships shall not exist among more than half of the Directors: (1) a spousal relationship; or (2) a familial relationship within the second degree of kinship as defined under the Civil Code of the R.O.C. If any one of the foregoing relationships exists among more than half of the elected Directors, the election with respect to the one who received the lowest number of votes among those related Directors shall be deemed invalid and void; and if he has held office of a Director, he shall cease to act as a Director upon such determination. For the remaining Directors, if the foregoing requirements are still not satisfied, the same procedure set out above shall be applied again to the remaining related Directors, until such time as the foregoing requirements can be complied with.

In case a Director has, in the course of performing his/her/its duties, committed any act resulting in material damage to the Company or in serious violation of the Law, the Applicable Listing Rules or these Articles, but has not been removed from office by a resolution in a general meeting, one or more Members holding three percent (3%) or more of the total number of issued Shares of the Company may, within thirty (30) days after that general meeting, submit a petition to a competent court, including the Taipei District Court of the R.O.C., but only if and to the extent permitted under the Law and the Applicable Listing Rules, for removing such Director from office.

Subject to the Law, one or more Members holding one percent (1%) or more of the total number of the issued Shares continuously for a period of six (6) months or a longer time may request in writing any Independent Director who is a member of audit committee to file, on behalf of the Company, an action against a Director who has, in the course of performing his/her duties, committed any act resulting in damage to the Company or in violation of the Law, the Applicable Listing Rules or these Articles, with a competent court, including the ROC Taipei District Court, and for the avoidance of doubt, any one Independent Director is authorised to act in such manner, notwithstanding that there is no Board meeting or resolution in writing signed by all of the Directors expressly approving the same. In case such Independent Director who is a member of audit committee fails to file such action within thirty (30) days after receipt of such request, to the extent permitted under the laws of the Cayman Islands, subject to the applicable laws, the Members making such request may file the action for the Company.

### **PROCEEDINGS OF THE BOARD**

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate and shall from time to time establish internal rules in this regard, which shall be in compliance with the Law and the Applicable Listing Rules. Board meetings shall be held at least once in each quarter or within such period and frequency as may be prescribed by the Applicable Listing Rules. The quorum necessary for the transaction of the business of the Board shall be a majority of the Directors. Subject to the Law, the Applicable Listing Rules and these Articles, any matter proposed for consideration and approval at a Board meeting shall be decided by a majority of votes entitled so to do.

A Director may, and the Secretary on the requisition of a Director shall, summon a Board meeting by, during the Relevant Period, at least seven (7) days notice in writing, or at any time other than during the Relevant Period, at least forty eight hours notice in writing, to every Director which notice shall set forth the general nature of the business to be considered PROVIDED HOWEVER, without prejudice to the prescribed notice, in the event of emergency, as determined by the Board in its sole discretion, a Board meeting may be called at any time if this has been agreed to by a majority of the Directors at such meeting. Notwithstanding the forgoing, at any time other than during the Relevant Period, a notice of Board meeting may be waived by all the Directors either at, before or retrospectively after the relevant Board meeting is held PROVIDED FURTHER that notice or waiver thereof may be given by telex or telefax.

A Director may participate in a meeting of Board, or of any committee appointed by the Board of which such Director is a member, by means of visual communication facilities which permit all Persons participating in the meeting to see and communicate with each other simultaneously and instantaneously, and such participation shall be deemed to constitute presence in person at the meeting.

A Director may appoint another Director as his proxy to attend a meeting of the Board in writing with regard to a particular meeting, and state therein the scope of authority with reference to the subjects to be discussed at such meeting, in which event the presence and vote of the proxy shall be deemed to be that of the Director appointer. No Director may act as proxy for two (2) or more

other Directors. Subject to these Articles, if a Director attends a Board meeting on his behalf and as the proxy of another Director, he is entitled to vote both as a proxy and for his own.

A Director who is in any way, whether directly or indirectly, interested in a matter discussed, considered or proposed in a meeting of the Board shall declare the nature of his interest and its essential contents at such relevant meeting. When the Company conducts any Spin-Off, Consolidation, Merger, or acquisition, a Director who bears any interest in the transaction shall explain the essential contents of such personal interest and the reason of approval or disapproval of the resolution in connection with the transaction in a meeting of the Board and the general meeting of the Company. Where the spouse, a blood relative within the second degree of kinship of a Director as defined under the Civil Code of Taiwan, or any company which has a controlling or subordinate relation with a Director bear any interest in the matter under discussion at a Board meeting, such Director shall be deemed to bear a personal interest in the matter. Any Director who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a meeting of Board shall abstain from voting, on his own behalf or as a proxy or corporate representative, with respect to the said matter. Any and all votes cast by such Director(s) shall not be counted in determining the number of votes for or against such matter.

Subject to these Articles, the continuing Directors may act notwithstanding any vacancy in their body. Notwithstanding anything to the contrary provided for in these Articles, at any time other than during the Relevant Period, a resolution in writing signed by all of the Directors then in office or all of the members of a committee of Directors, including a resolution signed in counterpart or by way of signed telefax transmission, shall be as valid and effectual as if it had been passed at a Board meeting or of a committee of Directors duly called and constituted.

The proceedings regarding Board meetings not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by the Board and reported to the Members at a general meeting from time to time, which shall be in compliance with the Law and the Applicable Listing Rules (in particular, the Regulations Governing Procedure for Board of Directors Meetings of R.O.C. Public Companies).

## **RESERVES AND CAPITALISATION**

During the Relevant Period, the Company shall set aside out of the profits of the Company for each financial year: (a) a reserve for payment of tax for the relevant financial year; and (b) an amount to offset losses incurred in previous year(s); and (c) a Statutory Reserve in accordance with the Applicable Listing Rules (where the Statutory Reserve amounts to the total issued share capital, this Article shall not apply), and after the aforesaid sums as set aside from the profits for such relevant financial year for any purpose to which the profits of the Company may be properly applied, the Board shall, before recommending any dividend, set aside the remaining profits of the Company in whole or in part for the relevant financial year as a special reserve or reserves in accordance with the order from the Commission, and the Company may also, under these Articles or by Special Resolution of the general meeting, set aside another sum as a special reserve or reserves (collectively, the "**Special Reserve**").

Unless otherwise provided in the Law, the Applicable Listing Rules and these Articles, neither the Statutory Reserve nor the Capital Reserve shall be used except for offsetting the losses of the Company. The Company shall not use the Capital Reserve to offset its capital losses unless the Statutory Reserve and Special Reserve set aside for purposes of loss offset is insufficient to offset such losses.

- (1) During the Relevant Period, where the Company incurs no loss, it may, subject to the Law, by a Special Resolution, capitalise or distribute its Statutory Reserve and the following Capital Reserve: (i) Share Premium Account and (ii) the income from gifts and donations received by the Company, in whole or in part, by issuing new fully paid shares and/or paying in cash to the Members in proportion to the number of shares held by each of them in accordance with the Law and the Applicable Listing Rules. With respect to the capitalization and distribution of the Statutory Reserve, only the portion of the Statutory Reserve exceeding twenty-five percent (25%) of the issued share capital of the Company may be so capitalized and distributed.
- (2) At any time other than during the Relevant Period, subject to the Law, the Board may capitalise any sum for the time being standing to the credit of the Share Premium Account or any of the other Company's reserve accounts which are available for distribution or any sum standing to the credit of the profit and loss account or otherwise available for distribution and to appropriate such sums by issuing new fully paid shares and/or paying in cash to Members in proportion to the number of shares held by each of them.

Where any difficulty arises in regard to any declaration of dividends or bonuses or other distributions under these Articles, the Board may settle the same as they think expedient and, in particular, may authorise any person to sell and transfer any fractions or may resolve that such declaration of dividends or bonuses or other distributions should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments should be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Directors. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

### **COMPENSATION, DIVIDENDS AND BONUSES**

At any time other than during the Relevant Period, subject to the Law and these Articles and except as otherwise provided by the rights attaching to any Shares, the Board may from time to time declare dividends to be paid to the Members according to their rights and interests, including such interim dividends as appear to the Board to be justified by the position of the Company.

During the Relevant Period, subject to the Law, the Applicable Listing Rules and these Articles and except as otherwise provided by the rights attaching to any Shares:

- (1) where the Company has earnings at the end of a financial year, based upon the Board's determination, the Company shall distribute not more than zero point one percent (0.1%) of the earnings for such year to the Employees, including employees of any of the Subordinate Companies meeting certain specific requirements, as the Employees' compensation in the form of shares and/or in cash; based upon the Board's determination, the Company may distribute not more than five percent (5%) of such earnings to the Directors as the Directors' compensation. A report of such distribution of Employees' and Directors' compensations shall be submitted to the general meeting of the Company. Notwithstanding the foregoing, the total amount of accumulated losses of the Company shall be reserved from the said earnings in advance, and the Company shall distribute the remaining balance thereof to the Employees and Directors in the proportion set out above.
- (2) where the Company has profits (including profits of previous years) at the end of a financial year, after paying all relevant taxes, offsetting losses (including losses of previous years), setting aside the Statutory Reserve (if required) and Special Reserve (if any), the Company may, according to a distribution plan proposed by the Board, distribute not less than ten percent (10%) of the balance left ("Surplus Profits") by an Ordinary

Resolution passed at an annual general meeting of the Company duly convened and held to the Members as dividends in proportion to the number of Shares held by them respectively pursuant to these Articles, provided that, cash dividends shall not be less than ten percent (10%) of the total amount of dividends to the Members.

- (3) dividends, bonuses or other forms of distributions payable to the Members shall only be paid in NTD.

During the Relevant Period, subject to the Law, the Applicable Listing Rules and these Articles, the Company may by a Special resolution distribute any part or all of the dividends to the Members or bonuses to the Employees and the Directors declared in accordance with the preceding Article by way of applying such sum in paying up in full unissued Shares for allocation and distribution to the Employees, the Directors and/or the Members.

No dividend, bonus or other distribution shall be paid otherwise than out of profits or out of monies otherwise available for dividend, bonus or other distribution in accordance with the Law. No dividend, bonus or other distribution or other money payable by the Company on or in respect of any Share shall bear interest against the Company.

### **ACCOUNTS, AUDIT, AND ANNUAL RETURN AND DECLARATION**

- (1) The Board shall cause to be kept accounting records and books of account sufficient to give a true and fair view of the state of the Company's affairs and to show and explain the transactions of the Company and otherwise in accordance with the Law, at the Registered Office or at such other place(s) in such manner as may be determined from time to time by the Board and shall always be open to the inspection by the Directors.
- (2) If the Company keeps its accounting records and books of account at any place outside the Cayman Islands in accordance with the preceding paragraph, it shall, upon service of an order or notice pursuant to the Tax Information Authority Law and any amendment or other statutory modification thereof, make available, in electronic form or any other medium at its Registered Office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

During the Relevant Period, at the end of each financial year, the Board shall prepare: (1) the business report; (2) the financial statements which include all the documents and information as required by the Law and the Applicable Listing Rules (the "**Financial Statements**"); and (3) any proposal relating to the distribution of net profit and/or loss offsetting in accordance with these Articles, for adoption by the annual general meeting of the Company. Upon adoption at the annual general meeting of the Company, the Board shall distribute to each Member copies of the Financial Statements and the resolutions relating to profit distribution and/or loss offsetting. However, during the Relevant Period, the Company may make a public announcement of the abovementioned statements and resolutions instead of distributing those to each Member.

During the Relevant Period, the documents prepared by the Board in accordance with the preceding Article shall be made available at the Shareholder Service Agent's office in the R.O.C. for inspection during normal business hours by the Members, ten (10) days prior to the annual general meeting.

Subject to the Law and the Applicable Listing Rules, the Board may determine (or revoke, alter or amend any such determination) that the accounts of the Company be audited and the appointment of the Auditors.

During the Relevant Period, the Board shall keep copies of the Memorandum, these Articles, the

minutes of every general meeting, the Financial Statements, the Register and the counterfoil of corporate bonds issued by the Company at its Shareholder Service Agent's office in the R.O.C. Any Member may request at any time, by submitting evidentiary document(s) to show his interests involved and indicating the scope of requested matters, access to inspecting, transcribing and making copies of the above documents; the Company shall make Shareholder Service Agent provide the above documents.

The Board in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

### **TENDER OFFER**

Subject to the Law and the Applicable Listing Rules, during the Relevant Period, within fifteen (15) days after receipt of the copy of the public tender offer report form, the public tender offer prospectus, and relevant documents, the Company shall make a public announcement of the following:

- (a) the types, number and amount of the Shares held by the Directors and the Members holding more than ten percent (10%) of the total issued and outstanding Shares;
- (b) the recommendations made by the Board to the Members on such tender offer, which shall set forth the identity and financial status of the tender offeror, fairness of the tender offer conditions, verification on rationality of source of fund for tender offer, and the names of the Directors who abstain or object to the tender offer and the reason(s) therefore;
- (c) whether there is any material change in the financial condition of the Company after the delivery of its most recent financial report and the contents of the change, if any;
- (d) the types, number and amount of the Shares of the tender offer or its affiliates held by the Directors and the Members holding more than ten percent (10%) of the total issued and outstanding Shares; and
- (e) other relevant significant information.

### **WINDING UP**

Subject to the Law, the Company may be wound up by a Special Resolution passed by the Members. If the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the number of the Shares held by them. If in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the number of the Shares held by them at the commencement of the winding up. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

Subject to the Law, if the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Law, divide and distribute amongst the Members the whole or any part of the property of the Company (whether they shall consist of property of the same kind or not) in cash or asset and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different Classes. 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 shall think fit, but so that no Member shall be compelled to accept any asset whereon there is any liability.



The Company shall keep all statements, records of account and documents for a period of ten (10) years from the date of the completion of liquidation, and the custodian thereof shall be appointed by the liquidator or the Company by an Ordinary Resolution.

## **NOTICES**

Subject to the Law and except as otherwise provided in these Articles, any notice or document may be served by the Company to any Member either personally, or by facsimile, or by sending it through the post in a prepaid letter or via a recognised courier service, fees prepaid, addressed to such Member at his address as appearing in the Register, or, to the extent permitted by the Law and the Applicable Listing Rules, by posting it on a website designated by the Commission, the Emerging Market, the TPEX or the TWSE (where applicable) and/or the Company's website, or by electronic means by transmitting it to any electronic mail number or address such Member may have positively confirmed in writing for the purpose of such service of notices. In the case of joint Members, all notices shall be given to that one of the Members whose name stands as their representative in the Register in respect of the joint holding.

104-1. The distribution of the minutes of general meeting may be effected by means of electronic transmission.

Any Member present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting including the purpose for which such meeting was convened.

Any notice or other document, if served by:

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

Any notice or document served to the registered address of any Member in accordance with these Articles shall notwithstanding that such Member be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Member as sole or joint Member.

## **REGISTERED OFFICE OF THE COMPANY**

The Registered Office of the Company shall be at such address in the Cayman Islands as the Board shall from time to time determine.

## **FINANCIAL YEAR**

Unless the Board otherwise prescribes, the financial year of the Company shall end on December 31<sup>st</sup> in each year and shall begin on January 1st in each year.

## **SEAL**

The Company shall have one or more Seals, as the Board may determine. No Seal shall be used without the authority of the Board. Subject as otherwise provided in these Articles, any instrument to which a Seal is affixed shall be signed by two Directors or one Director and the Secretary or by such other person or persons as the Board may appoint, either generally or in any particular case, save that as regards any certificates for Shares or debentures or other securities of the Company the Board may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature.

## **LITIGATION OR NON-LITIGATION AGENT IN THE R.O.C.**

111. (1) During the Relevant Period, the Company shall appoint a person as its litigation or non-litigation agent under the Securities and Exchange Act of the R.O.C. and such agent will be deemed as its responsible person in the R.O.C. under the Securities and Exchange Act of the R.O.C..
- (2) The preceding agent shall have residence or domicile in the R.O.C.
- (3) The Company shall report the name, residence/domicile of the preceding agent and power of attorney to the competent authority in the R.O.C. This reporting requirement shall also apply if there is any change.

## **CHANGES TO CONSTITUTION**

112. Subject to the Law and the Applicable Listing Rules, the Company may, by Special Resolution, alter or amend the Memorandum or these Articles, in whole or in part.

The date for this program is November 30, 2009

The first revision date of this procedure is April 16, 2010 through the resolution of the shareholders' meeting.

The second revision date of this procedure is May 19, 2010 through the resolution of the shareholders' meeting.

The third revision date of this procedure is July 23, 2010 through the resolution of the shareholders' meeting.

The fourth revision date of this procedure is May 13, 2013, which was approved by the resolution of the shareholders' meeting.

The fifth revision date of this procedure is June 19, 2014 through the resolution of the shareholders' meeting.

The sixth revision date of this procedure is June 15, 2015, which was approved by the resolution of the shareholders' meeting.

The seventh revision date of this procedure is June 27, 2016, which was approved by the resolution of the shareholders' meeting

The eighth revision date of this procedure is June 19, 2018, which was approved by the resolution of the shareholders' meeting

The ninth revision date of this procedure is June 14, 2019, which was approved by the resolution of the shareholders' meeting.

The tenth revision date of this procedure is June 15, 2020, which was approved by the resolution of the shareholders' meeting

**Tong Ming Enterprise Co.,Ltd.**

**Procedures for the Acquisition or Disposal of Assets**

**1. Purpose**

The procedure is in place to secure the safety and entirety of the assets and implement information disclosure.

**2. Scope and applicable objects:**

2.1 The procedure is applicable to the following:

2.1.1 Stocks, bonds, financial bonds, fund-based securities, depositary receipts, call (put) warrants, beneficiary certificate, asset-based securities, etc.

2.1.2 Property (including land, buildings and architecture, investment property and land rights) and equipment.

2.1.3 Memberships.

2.1.4 Patents, copyrights, trademarks, franchise rights and other intangible assets.

2.1.5 Financial institutions bonds;

2.1.6 Financial derivatives.

2.1.7 Any Company’s assets that were legally merged, divided, acquired or transferred or disposed.

2.1.8 Other major assets.

2.2 Applicable to the Company and its consolidated subsidiaries. However, based on its actual operating requirements, subsidiaries can stipulate their own operating provisions, under the principles of internal control and legal requirements.

**3. Units on duty: All departments**

**4. Work procedure**

4.1 The Company and its subsidiaries may acquire, dispose, or continue holding any of the assets in this procedure; however, long/short-term securities investment, non-business related real estate, other fixed assets, and intangible assets holdings shall follow the restriction below. If it exceeded the limit, it shall be reported to the Board as a special project at the time of acquiring, and continues with the procedure once approved by the Board.

4.1.1 The total amount of long/short-term securities investments, non-business related real estate, other fixed assets and intangible assets shall be limited to 50% of the Company’s net value.

4.1.2 Long-term securities investment shall be limited to 40% of the Company’s net value, and a single long-term securities investment is limited to 15%.

4.1.3 Short-term securities investment is limited to 20% of the Company’s net value, and a single short-term securities investment is limited to 5%.

4.1.4 The total amount of non-business related real estate, other fixed assets and intangible assets shall be limited to 20% of the Company’s net value, and single non-business related real estate, other fixed assets and intangible assets is limited to 10% of the Company’s net value.

4.1.5 The Company and its subsidiaries acquiring long/short-term equity investment shall be limited to 50% of the Company’s net value.

4.2 Professional appraisers and their officers, certified public accountants, attorneys, and

securities underwriters that provide this Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

- 4.2.1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Measures, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
- 4.2.2 Not a related party or a de facto related party of a counterpart of a transaction.
- 4.2.3 In the event that appraisal (valuation) reports from two or more professional appraisers are required, neither professional appraisers nor the appraisal officers shall be related parties or de facto related parties to one another. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-discipline norms of their respective trade associations and the following:
  - 4.2.3.1 Prudently assess own professional competencies, practical experience, and independence prior to undertaking assignments.
  - 4.2.3.2 For audit assignments, plan and implement appropriate processes to draw a conclusion as the basis of producing a report or expressing an opinion; and maintain a full record of the operating procedures, gathered data, and conclusions in the worksheet.
  - 4.2.3.3 They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion
  - 4.2.3.4 Make a statement attesting to the professional competency and independence of personnel preparing the report or opinion, and assuring that the information contained in the report or opinion has been evaluated and found to be reasonable and accurate, and related laws and regulations are complied with.

#### 4.3.1 Assessment and operation

The Company acquiring or disposing of real estate and other fixed assets shall be in accordance with the internal control of the fixed asset process.

#### 4.3.2 Procedure for the decision of the condition for trade and authorized limit

- 4.3.2.1 To obtain or dispose real estate properties, third party appraisal, actual transaction costs in its neighborhood, its transaction terms and the actual price shall all be referred and an analysis report shall be made and submitted to the management. If the amount is less than NT\$50 million, the general manager has the discretion to approve it; between NT\$50 million to NT\$100 million, the Chairman has the discretion to approve it; anything more NT\$100 million requires more than half of the Audit Committee to approve it, before passing it to the Board for approval.
- 4.3.2.2 Acquiring or disposing other fixed assets, shall choose between price inquiry, comparison, negotiation or bidding. If the price is less than NT\$50 million, the General Manager has the discretion to approve; between NT\$50 million to NT\$100 million, the Chairman has the discretion to approve; above NT\$100 million, the Board would need to approve it after being approved by more than half of the Audit Committee.

4.3.2.3 If there are independent directors in place, the board shall take independent directors' opinions under advisement when discussing the terms of the asset acquisition/disposal. Any objections or qualified opinions made by independent directors shall be noted in board meeting minutes.

#### 4.3.3 Executors

When the Company acquires or disposes of real estate or other fixed assets, it shall follow the previous process before the responsible department and the finance department executes it.

#### 4.3.4 Appraisal reports on real estate and other fixed assets

4.3.4.1 In the event that the transaction amount for acquiring or disposing of real property, equipment, or its right-of-use assets reaches twenty percent (20%) of the paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report prior to the date of event occurrence from a professional appraiser and comply with the provisions below, except for transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or its right-of-use assets held for business use.

4.3.4.2 Where due to special circumstances it is necessary to give a limited price or specified price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall apply to any subsequent changes to the terms and conditions of transaction.

4.3.4.3 Where the transaction amount is NT\$1 Billion or more, appraisals from two or more professional appraisers shall be obtained.

4.3.4.4 For the professional appraiser's with one of the following results, unless the appraisal result of the assets acquired is higher than the transaction amount or the appraisal result of the assets disposed is lower than the transaction amount, it shall contact a certified public accountant to express an opinion on the cause of the nonconformity and the adequacy of the transaction price:

4.3.4.4.1 The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.

4.3.4.4.2 The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.

4.3.4.5 The date of the appraisal report issued for the appraisal performed before the contract date may not be more than three months from the contract date. However, if it is subject to the announced present value of the same period and that is not more than six months away, an opinion can be issued by the original appraiser.

4.3.4.6 For assets acquired or disposed through court auctions, documentary proof issued by the court can be used in place of the valuation report or CPA's opinion.

#### 4.4 Procedures for acquisition and disposal of securities

##### 4.4.1 Assessment and operation

The Company's long and short-term securities' buying and selling shall be in accordance with the internal control of investment process.

##### 4.4.2 Procedure for the decision of the condition for trade and authorized limit

- 4.4.2.1 In case of long-term equity investment, the most recent financial statements reviewed or audited by the auditors of such investment objectives shall be presented the day before the occurrence for price assessment. If the amount is less than NTD50 million (inclusive), it shall be submitted to the general manager for approval; If the amount is between NTD50 million to 100 million, it shall be submitted to the chairman for approval; If it exceeds NTD100 million, it shall be submitted to the board of directors for approval with the consent of more than half of all members of the audit committee.
- 4.4.2.2 Including short-term securities investment, government bonds, outright purchase and repos/reverse repos, commercial papers, fixed income funds, and money market funds, all investments shall be determined by the team in charge and according to the market price. If the amount is less than NT\$50 million, the general manager has the discretion to approve it; between NT\$50 million to NT\$300 million, the Chairman has the discretion to approve it; anything more than NT\$300 million requires more than half of the Audit Committee to approve it, before passing it to the Board for approval.
- 4.4.2.3 If there are independent directors in place, and shall refer the motion of acquisition or disposition of assets to the Board for discussion as required; the opinions of the Independent Directors shall be fully considered, and the opinions of the Independent Directors in favor of or against the motions and the reasons kept as an integral part of the minutes of meeting on record of the Board.

#### 4.4.3 Executors

The Company's long/short-term securities investment shall follow the previous procedure before the finance department executes it.

#### 4.4.4 Expert opinion

- 4.4.4.1 If one of the following occurs when the Company acquires or disposes of securities, and the transaction amount is more than 20% of the paid-up capital or NT\$300 million, it shall request the accountants' opinion on the rationality of the transaction price:
  - 4.4.4.1.1 The acquisition or disposal of securities is done outside of an Exchange or a securities firm's business office.
  - 4.4.4.1.2 The acquisition or disposal of private placement securities.
- 4.4.4.2 For assets acquired or disposed through court auctions, documentary proof issued by the court can be used in place of the valuation report or CPA's opinion.

#### 4.5 The procedure of real estate acquisition from a related party

- 4.5.1 The Company acquires or exchanges real estate or its right-of-use assets from related parties, will need to comply with 4.3, the obtaining the real estate processing procedure. In addition, it also needs to follow the following provisions and receive assessments on the rationale of the transaction terms. Transactions worth more than 10% of the Company's total assets shall also obtain appraisal from professionals or accountant's opinions. In addition, the legal form and the real relationship should be considered in determining whether the counterparty is a related party.

#### 4.5.2 Assessment and operation

- 4.5.2.1 The Company acquires or exchanges real estate or its right-of-use asset from related parties, and will need to submit the following information to the Audit Committee; and after obtaining more than half of the Committee Members approval, can be presented at the Board Meeting:
  - 4.5.2.1.1 The purpose, necessity and anticipated benefit of the acquisition of real estate.
  - 4.5.2.1.2 The reason for choosing the related party as a transaction counterparty.
  - 4.5.2.1.3 Shall be in accordance with 4.5.3.1 and 4.5.3.4 to assess the related information on the rationality of the scheduled transaction conditions.
  - 4.5.2.1.4 The matters of the related party's original acquisition date and price, counterparty, and the relationship with the Company and the related party.
  - 4.5.2.1.5 The monthly cash income and expense forecast within the year from the month of the contract signed; also, assess the necessity of the trade and the reasonableness of the use of funds.
  - 4.5.2.1.6 Acquire the appraisal report from the professional appraisers or the opinions of the CPAs in accordance with 4.5.1.
  - 4.5.2.1.7 The restrictions and other important stipulations of the transaction.
- 4.5.2.2 If Independent Directors are available in accordance with the regulations, when the previous item is discussed in the Board Meeting, all Independent Directors' opinions shall be well considered, and if any Independent Directors has an opposite opinion or reserved his opinion, it shall be recorded in the Board Meeting's Minutes.

#### 4.5.3 Evaluation on reasonable cost of transactions

- 4.5.3.1 When acquiring real property or its right-of-use assets from a related party, the Company shall evaluate the fairness of the transaction costs by the following means:
  - 4.5.3.1.1 Based on the transactions price of the related party plus the necessary funds interest cost and buyer's cost by law The so-called necessary capital interest cost is calculated in accordance with the weighted average interest rate of the loans in the year the assets are acquired by the Company; however, it may not be higher than the non-financial industry maximum loan interest rate as announced by the government agency.
  - 4.5.3.1.2 If the related party has the underlying subject used as collateral for a loan from financial institutions, the financial institutions are to assess the gross lending value of the subject matter. However, the actual accumulated lending value of the subject matter granted by the financial institutions should reach over 70% of the assessed gross lending value for a lending period over one year. However, it is not applicable if the financial institution and the counterparty are related to one another.
- 4.5.3.2 For the combined purchase or lease of the same underlying land and house, the transaction costs of land and house can be assessed by any of the methods referred to above.

- 4.5.3.3 The Company acquires or exchanges real estate or its right-of-use assets from related parties, and will need to obtain the evaluation on the real estate cost in accordance with 4.5.3.1 and 4.5.3.2, and seek review and opinion from the accountants.
- 4.5.3.4 The Company acquires or exchanges real estate or its right-of-use assets from related parties, and after following 4.5.3.1 and receiving a report with a lower cost than the transaction cost, will need to comply to 4.5.3.5. However, as a result due to the following circumstances and with the objective evidence presented and an appraisal report collected from the professional real estate appraiser and a reasonable opinion issued by the CPAs, it is not subject to the limitations:
- 4.5.3.4.1 Related party that has obtained prime land or rental land for construction must submit the proof of complying with the following conditions:
- Calculate bare land value according to the rules above; value buildings by adding a reasonable amount of markup to the construction costs incurred by the related party; the total of the two amounts exceed the transaction price. The term “reasonable construction profit” is based on the average gross profit rate in the last three years of the related party’s construction department or the latest gross profit rate of the construction industry announced by the Taiwanese government agencies whichever is lower.
  - The transaction terms and the area of premises on other floors in the same property or in the neighborhood in transactions completed by other unrelated parties within the previous year are similar as assessed based on the reasonable price difference by floor or by location in accordance with property transaction or lease practices.
- 4.5.3.4.2 Where the company acquiring real property through leasing, from a related party provides evidence that the terms of successful trade are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Successful trade involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters; transactions involving similarly sized parcels in principle refers to successful trade by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.
- 4.5.3.4.3 This Company evidences that the transaction terms and area of the real property acquired or its right-of-use assets leased from a related party are similar to that of transactions completed by unrelated parties in the neighborhood within the previous year. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of



no more than 500 meters; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof. After that, the special reserve can be used.

4.5.3.5 In case the Company acquires real estate from related parties, if the appraisal price in accordance with 4.5.3.1 and 4.5.3.2 is lower than the transaction cost, the following steps shall be taken. Special reserves that the Company and equity-accounted investees (public companies) have provided according to the above can only be taken to offset losses on devaluation or disposal of assets acquired at high price, or to compensate or restore assets to their original conditions, or for other rational purposes supported by evidence and Securities and Futures Supervisory Commission of the Ministry of Finance's approval.

4.5.3.5.1 A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property or right-of-use assets transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Public companies that account the Company as an investment using the equity method shall also recognize a portion of the Company's special reserves according to their respective shareholding percentages, as required in Paragraph 1, Article 41 of the Securities and Exchange Act.

4.5.3.5.2 The Audit Committee shall have it handled in accordance with Article 218 of the Company Act.

4.5.3.5.3 The results of handling according to the preceding two subparagraphs shall be reported to the meeting of shareholders, and the details of transaction shall be disclosed in the annual report and the prospectus.

The company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the competent authority of securities has given its consent.

With acquiring real property or its right-of-use assets from a related party, the Company shall comply with the preceding paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.

4.5.3.6 The Company acquires or exchanges real estate or its right-of-use assets from related parties; if it is one of the following situations, the assessment and procedure can be in accordance with 4.5.1 and 4.5.2, instead of following the rationality of transaction cost in accordance with 4.5.3.1, 4.5.3.2, and 4.5.3.3:

- 4.5.3.6.1 The related party acquired the real property or its right-of-use assets through inheritance or as a gift.
- 4.5.3.6.2 More than five years will have elapsed from the time the related party signed the contract to obtain the real property or its right-of-use assets to the signing date for the current transaction.
- 4.5.3.6.3 Acquire property by signing with the related party a construction contract, including joint construction contract, proprietary-land construction, or leased-land construction.
- 4.5.3.6.4 The real property right-of-use assets for business use are acquired by the company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.
- 4.5.3.6.5 When the Company and its parent company, subsidiaries, or its subsidiaries directly or indirectly holding 100% of the issued shares or total capital engage in the following transactions with each other, the board of directors may authorize the chairman to make a decision in advance within a certain amount, and then submit it to the latest board of directors for ratification:
  1. Obtain or dispose of equipment or its use right assets for business use.
  2. Obtain or dispose of real estate use right assets for business use. When submitting to the board of directors for discussion, the opinions of independent directors shall be fully considered. If independent directors have objections or reservations, they shall be recorded in the minutes of the board of directors.

It shall be approved by more than half of all members of the audit committee and then submitted to the board of directors for resolution.

When the Company or its subsidiary which is not a public company in Taiwan has a transaction referred to in paragraph 1 and the transaction amount reaches more than 10% of the total assets, the Company shall submit the information listed in paragraph 1 to the shareholders' meeting for approval before signing the transaction contract and making payment. However, this does not apply to transactions between the company and its parent company and subsidiaries, or transactions between its subsidiaries. In addition, the so called one-year period is based on the date of the actual occurrence of the transaction, which is calculated back to the previous year, and submit it to the shareholder' meeting and the board of directors for approval.

#### 4.6 Procedure of acquisition or disposal of intangible assets

##### 4.6.1 Assessment and operation

The Company acquiring or disposing of intangible assets shall be in accordance with the internal control of factory and equipment acquisition procedure.

##### 4.6.2 Procedure for the decision of the condition for trade and authorized limit

4.6.2.1 In case of acquisition or disposal of intangible assets, professional assessment reports or fair price shall be taken into consideration to determine the transaction cost and conditions, and prepare analytical reports. If the amount is less than NT\$50 million, the General Manager has the discretion to approve it; between NT\$50 million and NT\$100 million, the Chairman has the discretion to approve it; anything more than NT\$100 million shall receive approval from more than half of the Audit Committee, before being approved by the Board.

4.6.2.2 If there are independent directors in place, and shall refer the motion of acquisition or disposition of assets to the Board for discussion as required; the opinions of the Independent Directors shall be fully considered, and the opinions of the Independent Directors in favor of or against the motions and the reasons kept as an integral part of the minutes of meeting on record of the Board.

#### 4.6.3 Executors

The Company acquiring or disposing of intangible assets shall follow the previous steps to receive approval before the department in charge and the finance or control department executes it.

#### 4.6.4 Professional assessment reports on intangible assets

4.6.4.1 If the Company acquires or disposes of intangible assets worth more than NT\$4 million, it shall request professionals to provide an assessment report on the transaction cost.

4.6.4.2 In the event that the transaction amount for acquiring or disposing of intangible assets or its right-of-use assets or memberships reaches twenty percent (20%) of paid-in capital or NTD300 million or more, except for transactions with a domestic government agency, the Company shall contact a certified public accountant prior to express an opinion on the fairness of the transaction price.

#### 4.7 Procedures for acquiring or disposing of debt of financial institutions

In principle, the Company does not acquire or dispose of debt of financial institutions. Acquisition or disposal of debt from/to financial institutions will be subject to Board of Directors' approval, and would require prior establishment of valuation and operating procedures.

#### 4.8 Procedure for the Acquisition or Disposition of Derivatives

##### 4.8.1 The principle and policy of trade

##### 4.8.1.1 Type of trade

4.8.1.1.1 The Company invests in derivatives including fixed interest rate, financial instrument prices, commodity prices, exchange rate, price or rate indices, credit ratings or credit indices, or other forward contracts derived from other variables, options, futures, leverage margin contracts, swaps, combinations of the above, or linked notes or structured products implemented with derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

4.8.1.1.2 Matters concerning margin trading of bonds shall proceed according to relevant rules of the procedures stated here. The rules stated herein do not apply to repurchase agreements.

#### 4.8.1.2 Operating and hedging strategies

The Company is engaged in derivative trade only for hedging. The derivatives chosen shall aim at hedging the risk deriving from the operation of the Company. The currencies in holding must be congruent with the kinds of currencies of the Company actually required for import and export. The overall position (current account of foreign currency transactions) to be kept is for offsetting to reduce the overall exchange risk of the Company, and save the cost of operation in foreign exchange. Caution shall be taken in the assessment of other purposes of derivative trade and reported to the Board for approval before proceeding to trade.

#### 4.8.1.3 Areas of responsibility

##### 4.8.1.3.1 Finance department

###### 4.8.1.3.1.1 Trader

- Responsible for outlining the Company's financial instrument trading strategies.
- Traders are required to calculate outstanding positions, gather market information, evaluate trends and risks, and develop trade tactics on a monthly basis. Once approved at the proper level of authority, the above information will serve as reference for subsequent transactions.
- Execute transactions according to existing strategies within the granted authority.
- If the financial market undergoes major changes to the extent that renders existing strategies no longer appropriate, the trader shall then produce evaluation reports and propose new strategies. Once approved by the General Manager, these new strategies will become the basis for subsequent trades.

###### 4.8.1.3.1.2 Accounting personnel

- Perform trade confirmation.
- Review whether transactions are executed according to existing strategies within the proper level of authority.
- Shall be evaluated weekly, and if the hedge transaction is out of necessity of the operation, then it shall be evaluated at least twice every month and reported to the General Manager.
- Bookkeeping.
- make declaration and announcement in accordance with the regulations of the Taiwan SFC.

###### 4.8.1.3.1.3 Settlement personnel: execute settlement tasks.

###### 4.8.1.3.1.4 Approval authority for derivative instruments

- Hedging transactions shall be approved by the General Manager.
- Other specific purposes of transactions shall be executed after receiving the approval from the Board.
- If there are independent directors in place, and shall refer the motion of acquisition or disposition of assets to the Board for discussion as required; the opinions of the Independent Directors shall be fully considered, and the opinions of the Independent Directors in favor of or against the motions and the reasons kept as an integral part of the minutes of meeting on record of the Board.

##### 4.8.1.3.2 Audit Department

Responsible for understanding if the internal control of derivative trade is proper and the compliance of the dealing department in the operation, conducting analysis of the transaction cycle and compiling the findings into audit reports. Report to the Board on any significant defects.

#### 4.8.1.4 Performance assessment

##### 4.8.1.4.1 Hedging transaction

- The performance is based on the profit/loss caused by the derivatives trading to hedge the currency or raw material cost on the Company's accounting book.
- To control and fully express the risk of the transaction, the Company's entire holdings shall be evaluated at least twice a month.
- The Finance Unit shall provide foreign currency position valuation report, foreign currency market trend report, and market analysis report to the General Manager for decision-making and further instructions.

##### 4.8.1.4.2 Special-purpose transactions

Performance is assessed based on the actual gains/losses incurred. Accounting personnel are required to prepare regular position reports and submit them to the management for decision-making.

#### 4.8.1.5 Setting of Contract sum and loss limit

##### 4.8.1.5.1 Contract sum

###### —Limit on hedging transactions

The finance department shall be in control of the entire holdings of the Company to avoid transaction risk, and the amount of hedging shall not exceed the Company's entire holdings.

###### —Special-purpose transactions

Based on the predictions of the market conditions, the finance department may have strategic plans no more than NT\$300 million of the entire Company's cumulative holdings, and such may be executed after approved by the Board.

##### 4.8.1.5.2 Setting of loss limit

- Such hedge transaction is to avoid risk, and the stop loss limit is set at 10% of the hedged position.
- For special-purpose contracts, a stop-loss threshold shall be set as soon as the position is built up, and thereby prevent excessive loss. The stop-loss threshold shall be set no more than 10% of the contract sum. Losses that amount to more than 10% of the contract sum shall be immediately reported to the General Manager, and subsequently reported to the Chairman and the Board of Directors to discuss responsive measures.
- Each contract of special purposes transaction may not lose more than USD40,000 or 10% of the New Taiwan dollar transaction, whichever is lower.
- Losses on special-purpose transactions shall be capped at US\$300,000 per year.

#### 4.8.2 Risk management measures

##### 4.8.2.1 Management over credit risks

Based on the market movement caused by all variables, derivatives products trading has execution risks and its risk control is as below:

Transaction counterparties: Transactions shall be conducted mostly with locally and globally renowned financial institutions.

Instruments: Limited only to instruments offered by locally and globally renowned financial institutions.

Transaction amount: Open positions with any single counterparty shall not exceed 20% of authorized limit, unless approved by the General Manager.

##### 4.8.2.2 Market risk control: The Company trades in the public currency exchange market provided by the banks, and does not consider the futures market at the moment.

#### 4.8.2.3 Liquidity risk management

To ensure liquidity, the Company shall trade mainly financial instruments of high liquidity (positions that can be closed at any time over the market). The transaction broker shall have access to sufficient information and be capable of executing transactions in any given market at any time.

#### 4.8.2.4 Cash flow risk management

To ensure the stability of the Company's working capital, derivative transactions shall only be funded using proprietary capital, and trade decisions shall take into account the Company's cash flow forecast and capital requirements for the next 3 months.

#### 4.8.2.5 Operational risk management

4.8.2.5.1 Employees shall operate within their authorized limits, follow operating procedures and duly perform internal audits to prevent operational risks.

4.8.2.5.2 Personnel engaging in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.

4.8.2.5.3 Personnel involved in risk assessment, monitoring and control shall be allocated to departments that are different from those mentioned above, and shall report to the Board of Directors or to senior managers who are not responsible for making decisions on transactions or positions.

4.8.2.5.4 Derivative exposures shall be evaluated at least once a week, except for hedging transactions conducted in relation to business activities, which are subject to evaluation at least twice a month. All evaluation reports shall be submitted for review by board-authorized senior managers.

#### 4.8.2.6 Product risk management

Internal Traders shall possess complete, accurate and professional knowledge about the financial instruments traded. They shall also request counterparty banks to make full risk disclosures in order to avoid misuse of financial instruments.

#### 4.8.2.7 Legal risk management

To avoid legal risks, all documents drafted with financial institutions shall be reviewed by foreign currency and legal affairs personnel, or by legal consultants before signing.

#### 4.8.3 Internal audit system

The internal auditors shall understand if the internal control of derivative trade is proper from time to time, and conduct audit on the execution of trade to ensure compliance with applicable rules and regulations, and analysis of the transaction cycle. Compile the findings into audit reports. Report to the Supervisors on any major nonconformity.

#### 4.8.4 Regular assessment methods

4.8.4.1 The Board of Directors shall assign senior managers to the regular monitoring and evaluation of derivative trading, and thereby ensure full compliance with the Company's trading procedures while determining whether risk exposures are kept within the tolerable level. If market price evaluation report shows any abnormal sign (e.g., losses exceeding the prescribed range), the Board of Directors shall be informed immediately to facilitate responsive measures.

- 4.8.4.2 Derivative exposures shall be evaluated at least once a week, except for hedging transactions conducted in relation to business activities, which are subject to evaluation at least twice a month. All evaluation reports shall be submitted for review by board-authorized senior managers.
- 4.8.5 Board of Directors' supervising principles for derivative transactions
  - 4.8.5.1 The Board of Directors shall appoint senior managers to monitor and control derivative trading risks at all times based on the following principles:
    - 4.8.5.1.1 Evaluate on a regular basis whether existing risk management measures are adequate, and whether they are carried out according to the prescribed principles and the Company's derivative procedures.
    - 4.8.5.1.2 Monitor trading activities, gains and losses while at the same time take necessary responsive measures and report to the Board of Directors upon discovering any abnormal findings. Independent directors, if available, shall be present at board meetings to express opinions.
  - 4.8.5.2 Periodically evaluate the performance of the derivative transactions complying with the defined business strategy and the risks within the Company's tolerable range.
  - 4.8.5.3 Derivative transactions performed by personnel who have been authorized under the Company's derivative procedures shall be reported during the upcoming Board of Directors meeting.
  - 4.8.5.4 When the Company deals with derivatives trading, it shall have a memorandum book recording all historically traded derivatives, its types, amount, Board approval dates and other items in accordance with 4.8.4.2, 4.8.5.1 and 4.8.5.2.
- 4.9 Merger, Divestment, Acquisition and Share Exchange Procedures
  - 4.9.1 Assessment and operation
    - 4.9.1.1 Decisions that involve merger, divestment, acquisition, or share exchange shall be consulted with lawyers, accountants and underwriters to determine the proper legal procedures and timeline. A special project team shall be assembled to execute the project according to legal procedures. Accountants, lawyers or securities underwriters shall be invited to express opinions in board meetings with regards to the share exchange ratio, the acquisition price, the amount of cash distributed to shareholders, and rationality of the acquired property before the proposal is discussed and passed by the Board of Directors. The opinion from the experts on rationality as mentioned could be waived for the merger between the company and a subsidiary where the company directly or indirectly holds 100% of its stake or total capital, or between subsidiaries where the company directly or indirectly holds 100% of their stake or total capital.
    - 4.9.1.2 A public document to shareholders detailing important contractual content and matters relevant to the merger, demerger or acquisition shall be prepared prior to the shareholders' meeting and be included along with the expert opinion under the 4.9.1.1 and notice of the shareholders' meeting for reference in deciding whether to approve the merger, demerger or acquisition. However, the corporate merger, spins-off, or acquisition that does not have to be resolved in the shareholders' meeting according to

other governing regulations is not subject to the requirement. Furthermore, if any participant of the business merger, divestment, or takeover is unable to convene a shareholder meeting, produce a resolution, or if the motion is voted down by shareholders due to insufficient attendants, minimum votes, or other legal restrictions, then the participants of the business merger, divestment, or acquisition shall immediately announce to the public the causes of the discontinuance, their follow-up actions, and the estimated date of the next shareholder meeting.

#### 4.9.2 Other important notes

4.9.2.1 For the merger, spins-off, or acquisition of a company, unless otherwise required by law or due to special factors must report to the FSC in advance, the board meeting and the shareholders' meeting should be convened in the same day to resolve the matters related to the corporate merger, spins-off, and acquisition.

For the assignment of shares of a company, unless otherwise required by law or due to special factors must report to the FSC in advance, the board meeting should be convened in the same day.

For the merger, spins-off, acquisition, or assignment of shares of a listed company or the company with stock traded at the securities business premise, the following information should be composed in writing and reserved for five years for inspection:

4.9.2.1.1 Personnel information: Including the title, name, and identity card number (or passport number for foreigners) of the personnel involved in a merger, spins-off, acquisition, or assignment of shares, or, the plan executor.

4.9.2.1.2 Date of significant events: Including the date of signing a letter of intent or memorandum, commissioning a financial or legal adviser, signing a contract, and convening a board meeting.

4.9.2.1.3 Important documents and minutes of meeting: Including the documents of the merger, spins-off, acquisition, or assignment of shares plans, letters of intent or memorandum, important contracts, minutes of board meeting.

The Company that participates in a merger, division, acquisition, or transfer of shares or shares that are traded publicly or in a securities firm's business offices, shall in 2 days after approved by the Board, submit information listed in 4.9.2.3.1 and 4.9.2.3.2 in the requested format via the internet to the Taiwan SFC.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the 4.9.2.1.1 and 4.9.2.1.2.

4.9.2.2 Prior confidentiality agreement:

The personnel participate in or are aware of the merger, spins-off, acquisition, or assignment of shares plan shall issue a written commitment of confidentiality not to disclose the plan to any third party before it is made known to the public and not to purchase the stock or equity-type securities of the companies related to the merger, spins-off, acquisition, or assignment of shares in their own names or others'.



- 4.9.2.3 The principle of the establishment and amendment of the stock conversion rate or repurchase price:
- The Company that participates in a merger, division, acquisition, and both companies in a transfer of shares shall hire accountants, lawyers or securities underwriters to assess the rationality on the stock conversion ratio, transaction cost or Shareholders' dividend or other assets prior to the Board Meeting, and submit it to the Shareholders' Meeting. The share exchange ratio and acquisition price shall not be changed unless an alteration term has been specified in the contract and announced to the public. The share exchange ratio and acquisition price can be changed under the following conditions:
- 4.9.2.3.1 Process cash capital increase and issue convertible bonds, stock dividends, bonds with stock option, preferred shares with stock option, stock options certificate, and other equity-type securities.
  - 4.9.2.3.2 An action that affects the Company's financial operation such as disposal of major assets.
  - 4.9.2.3.3 The occurrence of significant disasters and major changes in technology that affects the Company's shareholders' equity or securities price.
  - 4.9.2.3.4 The adjustment of treasury stock repurchased lawfully by any company that participates in the merger, spins-off, acquisition, or assignment of shares.
  - 4.9.2.3.5 Changes in the entity or number of companies involved in the merger, spins-off, acquisition, or assignment of shares.
  - 4.9.2.3.6 The other conditions for tolerable changes are defined in the contract and have been publicly disclosed.
- 4.9.2.4 The contract shall state: Merger, division, acquisition or the recipient Company of the stock transfer's rights and obligations, and shall list the following items.
- 4.9.2.4.1 Event of default.
  - 4.9.2.4.2 Principles for handling of equity-type securities previously issued or treasury stock previously bought back by a company that is extinguished in a merger or that is demerged.
  - 4.9.2.4.3 The treasury stock to be repurchased lawfully by the involving company and the principle for its process after the base date for the calculation of stock swap ratio.
  - 4.9.2.4.4 The process for the changes in the entity and the number of companies involved.
  - 4.9.2.4.5 The expected progress of the project and the schedule of completion.
  - 4.9.2.4.6 The process of convening a shareholders' meeting when the project is not completed on time.
- 4.9.2.5 Change in the number of merger/divestment/acquisition/share exchange participants: If a participant of the business merger, divestment, acquisition or share exchange intends to engage in another business merger, divestment, acquisition or share exchange with another company after the initial deal is made public, all procedures or legal actions

completed on the initial deal shall start afresh by all participants. However, this excludes situations where the total number of participants has decreased as a result of the second deal, and that a resolution has been made in a shareholder meeting to authorize the Board of Directors to change the terms of the initial deal; in which case, participants need not convene another shareholder meeting to resolve the board's decision.

- 4.9.2.6 If the merger, divestment, acquisition, or share exchange involves a party that is not a public company, the Company shall sign a separate agreement with that particular party to outline terms concerning: Board of Directors meeting date (4.9.2.1), confidentiality (4.9.2.2), and change of participants in merger, divestment, acquisition, or share exchange (4.9.2.5).

#### 4.10 Public information disclosure

##### 4.10.1 Mandatory announcements and reporting standards

- 4.10.1.1 The acquisition or disposal of real estate from and to the related party or right-of-use assets, or the acquisition or disposal of assets other than real estate from and to the related party for an amount exceeds 20% of the paid-in capital, 10% of the total assets, or NT\$300 million. However, domestic bond trades, RP and RS bonds and purchase/repurchase of money market funds that are issued by domestic securities investment trust enterprises is not subject to such requirements.
- 4.10.1.2 Process merger, spins-off, acquisition, or assignment of shares.
- 4.10.1.3 Derivative trading losses amounting to the total contract loss limit or individual contract loss limit defined in the handling procedures.
- 4.10.1.4 Obtaining or disposing assets of business equipment or other right-of-use assets, and the opposite party of the transaction is unrelated to the Company, while the transaction cost reached one of the following provisions:
  - (1) Public companies with paid-in capital of less than NTD10 billion and amount of transaction exceeds NTD500 million.
  - (2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
- 4.10.1.5 Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.
- 4.10.1.6 Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.

4.10.1.7 Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million. However, the following conditions are not subject to this restriction:

4.10.1.4.1 Buying and selling domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign rating of Taiwan.

4.10.1.4.2 As a professional investor, conduct trading of negotiable securities on domestic and foreign security exchange corporation or securities brokerage firms, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of index investment securities, or securities firms that, due to the needs of undertaking business, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company in accordance with the regulations of the Taipei Exchange (TPEX).

4.10.1.4.3 The trade of RP/RS bonds and purchase/repurchase of money market funds that are issued by domestic securities investment trust enterprises

4.10.1.5 The transaction amount mentioned 4.10.1 above is calculated as follows; the one-year timeframe dates back from the day of transaction, and transactions that have already been announced can be excluded.

4.10.1.5.1 Amount per transaction.

4.10.1.5.2 The cumulative transaction amount of acquisitions and disposals of the same type of underlying assets with the same counterpart within the previous year.

4.10.1.5.3 The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or its right-of-use assets in the same development project within the same year.

4.10.1.5.4 The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the previous year.

4.10.1.6 The requirement of 10% of the total assets is based on the total assets in the latest proprietary or independent financial statements governed by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

4.10.2 Timing of announcement and report

Asset acquisitions and disposals that meet any of the announcement criteria and transaction amount mentioned in Paragraph 1 of this Article shall be announced and reported to the public within two days from the day of transaction.

4.10.3 Public announcement

- 4.10.3.1 The Company shall post related information on the website designated by the Taiwan FSC.
- 4.10.3.2 The Company and its non-public subsidiaries in Taiwan shall post every month the status of derivatives trading as of the end of last month, in the requested format by the 10th every month, to the designated website by the FSC Taiwan.
- 4.10.3.3 When the items that are to be published by the Company in accordance with the regulations are found with errors or omissions at the time of publication, all the items should be published and reported again within 2 days from the date of learning of the discrepancy.
- 4.10.3.4 For the assets acquired or disposed of, the Company should have had the related contracts, minutes of meeting, memorandum, appraisal reports and the opinions of the CPA, lawyers or securities underwriters ready at the Company for at least 5 years, unless otherwise provided by law.
- 4.10.3.5 Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the previous article, a public report of relevant information shall be made on the website designated by the FSC within 2 days from the date of occurrence of the event:
  - 4.10.3.5.1 The originally signed trade contract is modified, terminated, or revoked.
  - 4.10.3.5.2 Merger, spins-off, acquisition, or assignment of shares is not completed in accordance with the deadline stated in the contract signed.
  - 4.10.3.5.3 Changes are made to the original announcement and report.
- 4.10.4 Format of announcement: Related format and appraisal reports shall be recorded following the instructed items and in the requested format.
- 4.11 The following rules apply to the Company's subsidiaries:
  - 4.11.1 The parent Company shall urge the subsidiaries to follow Taiwan's "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" regarding procedure of acquiring or disposing of assets, and it shall be approved by the subsidiaries' Board before submitting to the Shareholders' Meeting, and the same for the amendments.
  - 4.11.2 For subsidiaries that are not public company, acquisition and disposal of assets shall be reported by the parent company instead if the transaction meets the reporting criteria outlined in "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."
  - 4.11.3 In the standard of the subsidiaries' announcement, the "20% of the Company's paid-in capital" is based on the paid-in capital of the parent Company.
- 4.12 Penalties

The Company's employees who are responsible for acquiring and disposing of assets but violate the regulations of the procedure, may be reprimanded according to the seriousness of the violation in accordance with the Company's Human Resources Management Standards and Employees' Handbook.
- 4.13 Implementation and amendment
  - 4.13.1 The Company when establishing the procedure of acquisition and disposal of assets, shall follow the regulations, and after being approved by more than half of the entire Audit Committee and approved by the Board, submit it to the Shareholders' Meeting for approval. The same applies when amendments happen.

4.13.2 If Independent Directors are in place in accordance with the regulations, when discussing the previous items of acquiring or disposing of assets in the Board Meeting, all Independent Directors' opinions shall be well considered, and if there is any opposite opinion or opinion reserved from the Independent Directors, it shall be stated in the Board Meeting Minutes.

4.14 If the Company does not engage in derivative trading, it may be exempted from setting the process of dealing with derivative commodity transactions after it has been submitted to the Board for approval. Should the Company decide to engage in derivative trading later, it shall follow the previous provisions.

**5. Related attachment: None**

**6. Related departments: All departments**

This procedure was established on May 19, 2010 after approved in the Shareholders' Meeting.

This procedure was first amended on May 13, 2013 after approved in the Shareholders' Meeting.

This procedure was second amended on June 19, 2014 after approved in the Shareholders' Meeting.

This procedure was third amended on March 17, 2017 after approved in the Board Meeting.

This procedure was third amended on June 22, 2017 after approved in the Shareholders' Meeting.

This procedure was third amended on June 14, 2022 after approved in the Shareholders' Meeting.

## Appendix 3

“Sustainable Development Best Practice Principles”(Before amendments)

# **Tong Ming Enterprise Co., Ltd. Corporate Social Responsibility Best Practice Principles**

## **Chapter I General Principles**

Article 1 To fulfill the company’s corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, therefore, this Code of Practice is jointly formulated and to be followed. Formulate the company's own sustainable development code with reference to this Code to manage its economic, environmental and social risks and impacts.

Article 2 The scope of this code includes the overall operation activities of the company and relevant group enterprises. While engaging in business operation, the company shall actively practice sustainable development to meet the international development trend, and through the responsibility of corporate citizens, enhance its contribution to the national economy, improve the quality of life of employees, communities and society, so as to promote the competitive advantage based on sustainable development.

Article 3 The sustainable development performed by the company shall be based on respecting social ethics and paying attention to the rights and interests of other stakeholders. While pursuing sustainable business and profit, the company shall also pay attention to the factors such as environment, society and corporate governance, and incorporate them into the company’s management policies and operating activities. The company shall, in accordance with the principle of materiality, carry out risk assessment on issues of environment, society and corporate governance that are related to the company’s operation, and formulate relevant risk management policies or strategies.

Article 4 To implement corporate social responsibility initiatives, the Sustainable Development Best Practice Principles for Corporation below:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of corporate social responsibility information.

Article 5 The Company shall take into consideration the correlation between the development of domestic and international sustainable development and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development, which shall be approved by the board of directors and then reported to the shareholders meeting. When a shareholder proposes a motion involving sustainable development, the Company's board of directors is advised to review and consider including it in the shareholders meeting agenda.

## Chapter 2 Exercising Corporate Governance

Article 6 The Company is advised to follow the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the Code of Ethical Conduct for TWSE/GTSM Listed Companies to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article 7 The board of directors of the company shall fulfill the duty of care of good administrators to urge the company to perform the sustainable development, and review its implementation effectiveness from time to time and improve continuously to ensure the implementation of sustainable development policy.

The board of directors of the company shall consider the following matters when they perform sustainable development in the company:

1. Put forward the mission or vision of sustainable development and formulate sustainable development policy, system or relevant management guideline.
2. Incorporate sustainable development into the company's operating activities and development direction, and approve the concrete promotion plan of sustainable development.
3. Ensure the timeliness and correctness of the disclosure of relevant information of sustainable development.

The board of directors shall authorize senior management to deal with the economic, environmental and social issues arising from operating activities of the company, and the handling situation shall be reported to the board of directors. The operation process and each relevant responsible personnel shall be specified.

Article 8 The Company is advised to, on a regular basis, organize education and training on the implementation of sustainable development, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 9 In order to improve the management of sustainable development, the Company is advised to establish an exclusively (or concurrently) dedicated unit to promote sustainable development, which is responsible for the proposal and implementation of sustainable development policy, system or relevant management guideline and concrete promotion plan, and report to the board of directors regularly. The company should formulate a reasonable remuneration policy to ensure that the remuneration planning can meet the strategic aim of the organization and the interests of stakeholders. The employee performance evaluation system should be combined with the sustainable development policy, and a clear and effective incentive and discipline system should be established.

Article 10 The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the Company, and establish a designated section for stakeholders on the Company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important sustainable development issues that they are concerned about.

### **Chapter 3 Fostering a Sustainable Environment**

Article 11 The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 12 The company should endeavor to utilize all resources more efficiently and use renewable materials, which have a low impact on the environment, so as to make the earth's resources sustainable.

Article 13 The Company is advised to establish proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of the Company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
3. Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation on a regular basis.

Article 14 The Company is advised to establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for their managerial officers and other employees on a periodic basis.

Article 15 The Company is advised to take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:

1. Reduce resource and energy consumption of their products and services.
2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. Improve efficiency of products and services.

Article 16 To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.  
The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17 The Company should assess the potential risks of climate change to the corporate now and in the future, and take relevant countermeasures.  
The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: the greenhouse gas emission sources are owned or controlled by the Company.



2. Indirect greenhouse gas emissions: emissions generated by the energy utilization such as input electricity, heat or steam.  
The Company should make statistics on greenhouse gas emissions, water consumption and the total weight of waste, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water reduction or other waste management, and incorporate the acquisition of carbon credits into the company's carbon reduction strategy planning, so as to promote and reduce the impact of the company's business operations on climate change.
3. Other indirect emissions: the emissions generated by the company's activities belong to indirect energy emissions, which come from emission sources owned or controlled by other companies.

## **Chapter 4 Preserving Public Welfare**

Article 18 The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

1. Presenting a corporate policy or statement on human rights.
2. Evaluating the impact of the Company's business operations and internal management on human rights, and adopting corresponding handling processes.
3. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
4. In the event of any infringement of human rights, the company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities. The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. A company shall respond to any employee's grievance in an appropriate manner.

Article 19 The Company shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.

Article 20 The Company is advised to provide safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents. The Company is advised to organize training on safety and health for their employees on a regular basis.

- Article 21 The Company is advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills.  
The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other benefits, etc.) and appropriately reflect the corporate business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.
- Article 22 The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the Company's operations, management and decisions. The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives. The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.
- Article 23 The Company shall take responsibility for its products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the Company shall ensure the transparency and safety of its products and services. It further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.
- Article 24 The Company shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries.  
The Company shall follow relevant laws, regulations and international guidelines for customer health and safety, customer privacy, marketing and labeling their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.
- Article 25 The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.  
The Company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.
- Article 26 The Company shall assess the impact of its procurement on society as well as the environment of the community that it is procuring from, and shall cooperate with their suppliers to jointly implement sustainable development.  
The Company should formulate supplier management policy and require suppliers to follow relevant norms on issues of environmental protection, occupational safety and hygiene or labor human rights, etc. Prior to engaging in commercial dealings, the Company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.  
When the Company enters into a contract with any of its major suppliers, the content should include terms stipulating mutual compliance with the sustainable development policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article 27 The Company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance. The Company is advised to, through commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

## **Chapter 5 Enhancing Disclosure of Corporate Social Responsibility Information**

Article 28 The Company shall disclose information according to relevant laws, regulations and the company's Governance Code of Practice, and shall fully disclose relevant and reliable information relating to sustainable development, so as to improve information transparency. Relevant information relating to sustainable development which the Company shall disclose includes:

1. The governance mechanism, strategies, policies and management guidelines for sustainable development adopted by the board of directors.
2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
3. The promotion goals, measures and implementation performance formulated by the company for sustainable development.
4. Major stakeholders and their concerns.
5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
6. Other information relating to sustainable development.

Article 29 The Company shall adopt internationally widely recognized standards or guidelines when producing sustainable development reports, to disclose the status of promoting sustainable development. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information. The reports are advised to include:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
4. Future improvements and goals

## **Chapter 6 Supplementary Provisions**

Article 30 The Company shall always pay attention to the development of relevant standards for sustainable development in Taiwan and abroad and the changes of the corporate environment, so as to review and improve the sustainable development system established by the company and enhance the effectiveness of promoting sustainable development.

## **Chapter 7 Implementation**

The establishment and amendment of these Regulations shall be discussed by the Audit Committee and submitted to the Board of Directors for approval before being submitted to the shareholders' meeting for resolution.

The date set for this procedure is December 30, 2014 by resolution of the Board of Directors' meeting.

The date set for this procedure is June 15, 2015 by resolution of the shareholders' meeting.

The date set for this procedure is June 14, 2022 by resolution of the shareholders' meeting

## **Tong Ming Enterprise Co.,Ltd. Shareholders Meeting Rules**

### **1. Purpose**

The rules for compliance are stipulated in accordance with Article 5 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” for establishing the Company’s excellent meeting of shareholders governance system, substantiating supervisory function, and enhancing management functions.

### **2. Scope and applicable objects:**

2.1 Scope: The Rules of Procedure for Shareholder Meetings is processed in accordance with the Rules, unless otherwise provided by law or Company Corporate Charter (Articles of Incorporation).

2.2 Applicable objectives: The Company

### **3. Units on duty: All departments**

### **4. Work procedure**

4.1 Unless otherwise stated by the law or regulation, the Board shall convene the Shareholders’ Meeting. The board of directors or other authorized conveners of shareholders’ meetings may require the Company or its shareholder service agent to provide with the roster of shareholders.

4.2 Regarding the principles of the venue and time of the Shareholders’ Meeting, the venue of the Shareholders’ Meeting shall be in the Republic of China and suitable for convening the Shareholders’ Meeting, and the Meeting may not start earlier than 9 am or later than 3 pm. The venue and the time shall fully consider the Independent Directors’ opinions.

4.3 The preparation of a sign-in registry

4.3.1 The Company should have the attendance registry ready for the signature of the attending shareholders or the shareholder’s representative (hereinafter referred to as the Shareholders), or the attending shareholders may have the signature card submitted as an alternative to the signature.

4.3.2 The Company shall have the Agenda Handbook, annual reports, attendance card, statement slip, ballots, and other meeting materials delivered to the shareholders presented; also, the ballot will be distributed to the directors for the election of directors, if any.

4.3.3 Shareholders should attend the meeting of shareholders with the presentation of the attendance pass, attendance card or other attendance documents. Proxy holders should have identity documents with them for examination.

4.3.4 When the government or juridical person is a shareholder, the shareholder attending the meeting by proxy is not limited to one representative. The juridical person that has attended the meeting of shareholder by proxy can authorize only one representative to attend the meeting.

4.4 Chairperson and Participants

- 4.4.1 Shareholders meetings that are convened by the Board of Directors shall be chaired by the Chairmen. If the Chairman is unable to perform his/her duties due to leave of absence or any reasons, the Chairman may appoint one of the directors to act on behalf. If no one is appointed, the remaining directors will appoint one among themselves to perform the Chairman's duties on behalf.
- 4.4.2 It is preferable if more than half of the board directors attending the shareholders' meeting that is convened by the board of directors, and that at least one member of other functional committees attend as representative. Attendance details should be recorded in the shareholders meeting minutes.
- 4.4.3 If the shareholders' meeting is convened by any authorized party other than the Board of Directors, the convener will act as the meeting chairman. If there are two or more conveners, they shall appoint one among themselves to chair the meeting.
- 4.4.4 The Company may assign the appointed attorney, CPA, or responsible personnel to attend the meeting of the shareholders.
- 4.5 The Company shall record or video the entire process of the Shareholders' Meeting, and keep it for at least one year. However, if the Shareholders institute a lawsuit against the validity of the Shareholders' Meeting or withdrawal of the resolution of the Shareholders' Meeting, the recording or video shall be kept until the end of the lawsuit.
- 4.6 Attendance of the meeting of shareholders should be calculated in accordance with the shareholdings. The shareholding attendance is based on the attendance registry or the signature cards submitted, plus the votes exercised in writing or by electronic means.
- 4.7 The chairperson shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.  
However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.
- 4.8 Discussion of Meeting Agenda
  - 4.8.1 If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The relevant motions (including extemporaneous motions and amendments to original motions) shall pass the resolution on a one agenda by one agenda basis. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
  - 4.8.2 If the meeting of shareholders is convened by an authorized person other than the Board, the provision referred to above is applicable.
  - 4.8.3 The Chairman may not have the meeting adjourned at his discretion before the proposals (including motions) resolved in the two agendas referred to above. If the Chairman has the meeting adjourned in violation of the Rules of Procedure for Shareholder Meetings, the other Board members shall promptly assist the attending shareholders in accordance with the legal procedures to have one shareholder elected as the Chairman with the majority votes of the attending shareholders to continuously chair the meeting.

- 4.8.4 The chairperson shall give sufficient explanation and opportunity to discuss the motions and amendments or temporary motions proposed by the shareholders, and when he/she considers that the motions have reached the level ready for voting, he/she may announce to stop the discussion and put the motions to vote, and arrange an appropriate time for voting. At least one member of each functional committee shall attend the meeting and the attendance shall be recorded in the minutes of the shareholders' meeting.
- 4.8.5 Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, Article 19-1(1) of the Company's Articles of Incorporation provided for the compulsory repurchase of the Company's shares and the cancellation, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.
- 4.8.6 During the listing period, a shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.
- 4.8.7 Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

4.8.8 The Company shall convene a shareholders' meeting and may perform its voting rights through electronic approach or written papers; when performing its voting rights in written or electronic approach, the method of exercise shall be stated in the notice of shareholders' meeting. A shareholder who exercises his or her voting rights in written or electronic approach shall be deemed to be present in person at the shareholders' meeting. However, the provisional motion and the amendment to the original motion for such shareholders' meeting shall be deemed to be abstained from voting. Therefore, the Company is advised to refrain from proposing provisional motions and amendments to the original motion.

#### 4.9 Delivery of speech by shareholders

4.9.1 Shareholders who wish to speak during the meeting must produce a Speak Request Form detailing the topics and the shareholder's name and account number (or the attendance ID serial). The order of shareholders' comments will be determined by the meeting chairman.

4.9.2 Attending shareholders who have speech slips submitted but not speak shall be deemed as silent shareholders. If there is a discrepancy found between the text of the speech and the speech slip submitted, the contents of the speech shall prevail.

4.9.3 Each shareholder may have the floor for delivery of the speech on the same motion once only, and may take the floor twice only at the approval of the Chairman. Only 5 minutes is allowed for each speech. If the content of the speech defies the parliamentary rules or deviates from the motion, the Chairman shall interrupt the speech.

4.9.4 Attending shareholders may not interfere with the speaking shareholders without the consent of the Chairman and the speaking shareholders. The Chairman will have the violating shareholders stopped.

4.9.5 If the juridical person shareholder has more than two representatives assigned to attend the meeting of shareholders, only one of the two representatives may speak on the same proposal. The Chairman may reply to the speaking shareholders personally or by the designated personnel.

#### 4.10 Counting of the vote

4.10.1 Resolutions of the meeting of shareholders should be based on their shareholdings.

4.10.2 For the resolutions in the meeting of shareholders, the shares of the shareholders without votes are not included in the calculation of outstanding shares.

4.10.3 Shareholders who have a conflict of interest with the proposals that are detrimental to the Company's interests shall not vote, and cannot vote by proxy on behalf of the other shareholders.

4.10.4 The number of shares held by shareholders who are not permitted to vote shall be excluded from total voting rights represented in the meeting.

4.10.5 Every Shareholder has one voting right, unless it is restricted or stated in the Articles of Incorporation.

4.11 Unless otherwise stated in the Cayman Law, Listing Rules or Articles of Incorporation, an approval means more than half of the attended Shareholders need to approve it. The Chairman or the designated personnel are to announce the total number of balloting rights of the shareholders presented at the time of balloting.



- 4.11.1 When there is an amendment or alternative for the same motion, the Chairman shall have the order of vote, including the original proposal, determined accordingly. If one of the motions has been passed, the other motions shall be deemed as rejected without the need for further resolution.
- 4.11.2 Chairman is to appoint the scrutineers and counting officers who must be shareholders. Ballot counting should be held at the meeting place with the ballot counting result announced immediately and records kept.
- 4.12 Elections
- 4.12.1 The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.
- 4.12.2 Electoral ballots referred to above shall be sealed and signed by the scrutineers and reserved for at least one year. However, if the Shareholders institute a lawsuit against the validity of the Shareholders' Meeting or withdrawal of the resolution of the Shareholders' Meeting, the recording or video shall be kept until the end of the lawsuit.
- 4.13 The resolutions reached in the shareholders' meeting must be documented in the minutes of meeting for the signature or seal of the Chairman. The minutes of meeting must be distributed to the shareholders in 20 days. The preparation and distribution of the minutes of shareholders' meeting can be processed electronically.
- 4.14 For shareholders holding less than 1,000 registered shares, the company may distribute the minutes under the previous paragraph by public announcement on the Market Observation Post System.
- 4.15 The meeting date, month, day, place, name of the chairperson, method of resolution, main points of the proceedings and voting results (including the number of votes counted) shall be recorded, and in the case of election of directors, the number of votes received by each candidate shall be disclosed. The records shall be kept permanently for the duration of the Company's existence.
- 4.16 Public announcement
- 4.16.1 The Company shall keep track on and compile the statistical data on the quantity of shares represented through assignment or represented by proxies in the required format on the day of the session, and disclose them explicitly on the scene of the meeting.
- 4.16.2 For resolutions of the Shareholders Meeting, if it is an important announcement in accordance to the law, the regulations of the Taiwan Stock Exchange, or TPEX (if applicable), the Company shall, within the instructed time, post such information to the Market Observation Post System.
- 4.17 Keep the order of the session.
- 4.17.1 The staff responsible for organizing the meeting of shareholders shall wear identification badges or armbands.
- 4.17.2 The Chairman may direct disciplinary personnel or security personnel to help keep the meeting place in order. The disciplinary personnel or security personnel that help keep the meeting place in order should wear an armband with "Marshal" affixed or an identification card.

4.17.3 When the meeting place is equipped with amplifying equipment, the Chairman may stop shareholders who do not use the speaking device provided by the Company from speaking. The Chairman may instruct the disciplinary personnel or security personnel to have shareholders who violate the Rules of Procedure for Shareholder Meetings, disobey the instructions of the Chairman, intervene in the meeting proceedings and fail to comply with the disciplinary act escrowed to leave the meeting place.

4.18 Recess, resumption of meeting.

4.18.1 The Chairman may announce for recess in the course of the session. In the event of force majeure, the Chairman may announce for a suspension of the session and announce the time for resuming the session.

4.18.2 If the meeting place cannot be used continuously before the proposals (including motions) resolved in the agendas scheduled, it can be resolved to be continued in the meeting of shareholders to find another venue for the meeting.

4.18.3 The Shareholders' Meeting may decide to delay or continue within 5 days.

4.19 The rule begins once decided by the Shareholders' Meeting; the same applies when there is a change of rule.

**5. Related attachment: None**

**6. Related departments: All departments**

This procedure was established on April 16, 2010 after approved in the Board Meeting.

This procedure was established on May 19, 2010 after approved in the Shareholders' Meeting.

The procedure was first established on April 12, 2013 after being approved in the Board Meeting.

This procedure was first amended on May 13, 2013 after approved in the Shareholders' Meeting.

The second amendment of this procedure was on June 14, 2019, after approved in the Shareholders' Meeting.

The third revision date of this procedure is June 15, 2020, when it is revised by the resolution of the shareholders' meeting.

The date of the fourth revision of this procedure is June 17, 2021, when the resolution of the shareholders' meeting is adopted.

**Tong Ming Enterprise Co.,Ltd.**  
**Rules of Procedure for Board of Directors Meetings**

**1. Purpose**

The rule is established to ensure the Company has a good Board governance system, healthy supervisory ability, and to strengthen its management function.

**2. Scope and applicable objects:**

2.1 Scope: The procedure content, operating procedures, matters in the minutes of meeting, announcements, and other compliances of the Company’s “Rules of Procedure for Board of Directors Meetings” must be processed in accordance with the Rules.

2.2 Applicable objectives: The Company and its consolidated subsidiaries.

**3. Units on duty: All departments**

**4. Work procedure**

4.1 Convening of the Board Meeting and Meeting Notice

4.1.1 The Board of the Company shall convene once quarterly.

4.1.2 Convening the Board Meeting shall state the purpose, and the Chairman needs to convene 7 days prior to the meeting during the listing period, and 48 hours before the meeting during the non-listing period. However, in case of emergency and when approved by more than half of the Directors, the Meeting may be convened at any time.

4.1.3 The items specified in 4.10 of the Procedures shall be itemized on the reason for the session unless it is an emergency or with justifiable reasons, and cannot be presented as extemporary motions.

4.2 Meeting Notice and meeting information

4.2.1 The Board appoints the General Manager’s Office as the department handling all Board Meeting related matters.

4.2.2 The department responsible for the meeting affair shall have the contents of the procedure drafted up and have sufficient meeting materials prepared for distribution at the time of sending out the notice of convening the board meeting.

4.2.3 Board directors may request additional information from the department responsible for the meeting affair. The Board of Directors may resolve to have the board meeting postponed if the directors consider the proposal materials are insufficient.

4.3 Preparation of a Sign-in Registry and attendance at the session by proxy

4.3.1 A sign-in registry shall be prepared for the Directors to sign-in for the session as a reference.

4.3.2 Directors shall attend the board meeting in person. Directors who cannot attend the board meeting in person may have other directors attended the board meeting by proxy in accordance with the Company’s Articles of Incorporation, such as, attending the board meeting by video conference.

- 4.3.3 When directors have attended the board meeting by other directors, a proxy must be issued each time and the scope of authorization for the meeting convened must be cited.
- 4.3.4 The proxy here may only represent one person.
- 4.4 The principles of the venue and time of the Board Meeting
- The Company's board meeting location and time should be at the Company's premise and in the office hours, or, the location and time that is suitable for board directors' attending.
- 4.5 The Chairman and proxy of the Board Meeting
- 4.5.1 Board meetings shall be convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.
- Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.
- 4.5.2 When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.
- 4.6 The reference information, attending members and convening of the Board Meeting
- 4.6.1 The General Manager's Office shall prepare all related information for the Directors' reference at the time of the Board Meeting.
- 4.6.2 The management of the relevant departments who is not a board director may be notified to attend the board meeting depending on the contents of the proposal. If necessary, the CPAs, lawyers, or other professionals may also be invited to attend the board meeting.
- 4.6.3 The Chairman shall declare the board meeting in session at the meeting time with the attendance of a majority of the directors. The Chairman may declare postponing the meeting at the meeting time with the attendance of less than a majority of the directors. The meeting is limited to two postpones. Even after delaying the Meeting twice, there is still less than quorum to begin the Meeting, the Chairman may reconvene in accordance with 4.1.2.
- All Directors referred to in 4.6.4 and 4.14.2 are referencing to Directors who are actually in office.
- 4.7 Video and Audio Recording of Board of Directors Meetings
- 4.7.1 The Company's board meeting in session must be recorded or filmed for record for minimum five years and it can be reserved electronically.

- 4.7.2 If legal action has been instituted by a third party before the expiration of the aforementioned retention period, related voice records or videotapes kept as minutes of the meeting on record of the Board on certain resolutions shall be kept until the conclusion of the legal action.
- 4.7.3 Audiovisual data on video conferences of the Board shall be kept as an integral part of the minutes of the meeting on record, and shall be kept within the perpetuity of the Company.
- 4.8 The contents of the Meeting: The Company's regular Board Meeting shall include at least the following:
  - 4.8.1 Reporting items:
    - 4.8.1.1 Last minutes of meeting and its execution;
    - 4.8.1.2 Important financial statement report;
    - 4.8.1.3 Internal audit report;
    - 4.8.1.4 Other important reporting matters.
  - 4.8.2 Items to be discussed:
    - 4.8.2.1 The opening issues from the last session of the board meeting;
    - 4.8.2.2 The matters scheduled for discussion in the current meeting;
  - 4.8.3 Motions.
- 4.9 Discussion of Meeting Agenda
  - 4.9.1 The Board shall proceed with the agenda for the session as inscribed in the notice. The agenda and the priority of the motions for discussion may be altered only at the approval of the Directors by a simple majority.
  - 4.9.2 The Chairman shall not announce the adjournment of the session without the consent of the Directors by a simple majority.
  - 4.9.3 If a session of the Board lacks the presence of more than half of the Directors, the Chairman may announce the suspension of the session at the suggestion of the Directors in a session where 4.6.3 shall be applicable.
- 4.10 Items shall be discussed in the Board Meeting
  - 4.10.1 The following matters shall be submitted to the Company's Board of Directors for discussion:
    - 4.10.1.1 The Company's operating plan;
    - 4.10.1.2 Annual financial reports and interim financial report. But the semi-annual financial report is not required by law and regulations to be audited by the CPAs; therefore, it is not subject to this requirement.
    - 4.10.1.3 The institution or amendment to the internal control system pursuant to Article 14-1 of the Securities and Exchanges Act, and the evaluation of the effectiveness of the system.
    - 4.10.1.4 Stipulate or revise the regulations governing the significant financial business behaviors, including the acquisition and disposal of assets, trading of financial derivatives, lending of capital, loaning of funds, and making of endorsement in accordance with Article 36.1 of the Securities and Exchange Act.

- 4.10.1.5 Public offering, issuance, or private placement of equity-type securities;
- 4.10.1.6 The appointment and dismissal of the Finance Officer, Accounting Officer, or Internal Chief Auditor;
- 4.10.1.7 Donation to a related party or a significant donation to a non-related party. However, the charitable donation for an emergency relief of major natural disasters may be submitted in the next Board meeting for ratification.
- 4.10.1.8 The matters to be resolved in the shareholders' meeting or Board meeting in accordance with Article 14-3 of the Securities and Exchange Act, the other laws and regulations, or the Articles of Association, or the major matters to be resolved in accordance with the requirements of the competent authorities;

The "related party" in Paragraph 7 in the preceding paragraph refers to the "related party" described in the "Regulations Governing the Preparation of Financial Reports by Securities Issuers." The alleged "significant donation to a non-related party" refers to the donation amount of each transaction or the cumulative donation amount to one donee within one year for over NTD100 million, 1% of the net operating income stated in the most recent financial report audited by the CPAs, or 5% of the paid-in capital. (If the shares issued by foreign companies have no face value or the face value is not NT\$10/share, the amount of 5% of the paid-in capital shall be based on 2.5% of the shareholders' equity.) The alleged "within one year" in the preceding paragraph is the year prior to the current Board meeting convening date, retroactively; also, the proposal that is already resolved in the Board meeting is not subject to this requirement.

- 4.10.2 If the Company has reserved seats for Independent Directors, at least 1 seat shall be present in the session of the Board. In the resolution for motions presented in the Board session as stated in Paragraph 1, the presence of all independent Directors is required. If particular Independent Director cannot attend the meeting in person, another Independent Director shall be appointed as proxy to the meeting. The objections or reservations, if any, of the independent directors should be detailed in the minutes of the Board meeting. If the independent directors cannot attend the Board meeting in person to express their objections or reservations, in addition to being justified, they shall issue a written opinion in advance to be detailed in the minutes of Board meeting.

#### 4.11 Voting (1)

- 4.11.1 A Chairman who believes that the proposal under discussion is ready for voting may at his discretion stop the discussion and call for a vote.
- 4.11.2 A motion shall be deemed passed if there is no adverse opinion after the Chairman has asked for opinions from the Directors in the session. The effect shall be construed as the same as a motion passed by balloting. The Chairman is to put the motion to vote if there is any objection from any of the directors presented at the board meeting.
- 4.11.3 The Chairman is to have the way of balloting determined in accordance with one of the following alternatives; however, the opinion of the majority shall prevail upon the objection of the directors presented:

- 4.11.3.1 Balloting by raising hands or voting device
  - 4.11.3.2 Roll-call vote;
  - 4.11.3.3 Vote;
  - 4.11.3.4 The Company's own choice of balloting
- 4.11.4 All attending Directors, not including Directors with no voting rights in accordance with the Articles of Incorporation.
- 4.12 Vote (2) and method of poll watch, vote counting
  - 4.12.1 The Board Meeting's resolution, unless otherwise stated in the Articles of Incorporation and related law, shall be attended by more than half of the Directors, and items approved are items approved by more than half of the attending Directors.
  - 4.12.2 When there is an amendment or alternative for the same motion, the Chairman shall have the order of vote, including the original proposal, determined accordingly. However, if one of the proposals is balloted and passed, other proposals shall be deemed as vetoed without the need of further balloting.
  - 4.12.3 The Chairman is to appoint the controllers of ballot and tally clerks who are board directors for the proposals put to vote, if any. The outcome of the vote must be documented and announced on site.
- 4.13 Directors' Conflict of Interest Prevention
  - 4.13.1 If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the Company, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.

Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.
  - 4.13.2 The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 4 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding two paragraphs from exercising voting rights.
- 4.14 Meeting Minutes and Signed Items
  - 4.14.1 The minutes of meeting must be prepared for the Company's board meeting with the following information detailed:
    - 4.14.1.1 The session (or year), time, and place of the meeting;
    - 4.14.1.2 The name of the chairman;
    - 4.14.1.3 Directors' attendance, including the name and the number of the directors who are or are not (leave of absence or absence) at the meeting;
    - 4.14.1.4 Name and title of the attendees;
    - 4.14.1.5 The names inscribed;

- 4.14.1.6 Reporting Items;
  - 4.14.1.7 Issues to be discussed: Proposal resolution methods and results, statements of the directors, experts, and other staff, and documented or written objections or reservations, including the written opinions proposed by the independent directors in accordance with 4.10.2.
  - 4.14.1.8 Motion: The names of the proposer, the proposal resolution methods and results, the statement of the directors, experts, and other staff, and documented or written objections or reservations.
  - 4.14.1.9 Other remarks.
- 4.14.2 If any of the following is applicable to the matters for resolutions of the Board, specify the detail in the minutes of the meeting on record, and announce the declaration at MOPS as designated within 2 days after the session of the Board.
- 4.14.2.1 The objections or reservations of the independent directors that are recorded or in writing.
  - 4.14.2.2 If the Company has the Audit Committee, but was not approved by the Audit Committee and rather was approved by two-thirds of the entire Directors.
- 4.14.3 The attendance register is an integral part of the minutes of meeting and should be reserved properly throughout the duration of the company.
- 4.14.4 The presiding Chairman and the clerk must sign the minutes of the meeting. In addition, it should be distributed to all directors within twenty days after the meeting. The minutes of the meeting should be classified as an important document of the Company and should be properly reserved throughout the duration of the Company.
- 4.14.5 The preparation and distribution of the minutes of shareholders' meeting can be processed electronically.
- 4.15 Authorization
- Other than 4.10.1 being discussed in the Board Meeting, the level and content of the Board's authorization shall be clearly stated in accordance with the law or Articles of Incorporation.

**5. Related attachment:** None

**6. Related departments:** All departments

This procedure was established on April 16, 2010 after approved in the Board Meeting.

This procedure was first amended on May 19, 2010 after approved in the Shareholders' Meeting.

This procedure was second amended on May 13, 2013 after approved in the Shareholders' Meeting.

The procedure was third amended on June 27, 2016 after being approved by the Shareholders' Meeting.

The procedure was fourth amended on June 19, 2018 after being approved by the Shareholders' Meeting.

The fifth revision date of this procedure is June 14, 2019, after being approved by the Shareholders' Meeting.

The fifth revision date of this procedure is June 15, 2020, after being approved by the Shareholders' Meeting.



## Appendix 6

“Procedures for Election of Directors” (Before amendments)

### **Tong Ming Enterprise Co., Ltd.**

#### **Rules for Elections of Directors and Supervisors**

##### **1. Purpose**

This provision was established so the Directors’ election can follow this.

##### **2. Scope and applicable objects**

2.1 Scope: Unless otherwise specified by law or the Articles of Incorporation, election of the Company's directors shall proceed according to the procedures stated here.

2.2 Applicable to the Company and its consolidated subsidiaries.

##### **3. Responsible department: None**

##### **4. Work procedure**

4.1 During the listing period, Elections of directors of the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

4.2 For the election of directors of the Company, the name of the elector shall be replaced by the attendance number. Unless otherwise provided in the Company's Articles of Incorporation, each share shall have the same right to vote as the number of directors to be elected, and may elect one person centrally or several persons separately. The Board of Directors shall prepare the same number of ballots as the number of directors to be elected, fill in the number of rights, and distribute them to each shareholder.

4.3 The directors of the Company shall be elected in accordance with the quotas set forth in the Articles of Incorporation, and the right to elect independent directors and non-independent directors shall be calculated separately, and those who receive more votes representing the right to elect shall be elected in order.

4.4 When the Board prepares the votes, they shall number it according to the number in attendance and add the weight of it.

4.5 At the beginning of the election, the chairperson shall appoint a scrutineer and a teller to monitor and record the votes, but the scrutineer shall be a shareholder and perform all relevant duties.

4.6 The ballot box will be made available by the Board of Directors, and shall be opened for inspection by the ballot examiner prior to voting.

4.7 If the candidate is also a shareholder, voters shall specify both shareholder account name and number in the "candidate" column of the ballot. If the candidate is not a shareholder, the candidate's name and ID card number will have to be specified instead. However, if the government or a legal person is a candidate, the name of the candidate shall state the government or the name of the legal person.

4.8 Ballots are invalid in any of the following circumstances:

4.8.1 The ballot was not prepared by a person with the right to convene.

4.8.2 Blank ballots are cast in the ballot box.

4.8.3 Unidentifiable ballot due to illegible or incomplete corrections.

- 4.8.4 The candidate whose name is entered in the ballot does not conform to the director candidate list.
- 4.8.5 Other words or marks are entered in addition to the number of voting rights allotted.
- 4.9 The ballot box shall be placed for the election of Directors, and after voted separately, the poll watcher and the ticket counters open the ballot box together.
- 4.10 Vote counting is supervised by the poll watcher, and the chairman announces the result on the spot. The list of directors elected and the number of their election rights are also included.
- 4.11 Should there be items not instructed in this provision, the related law shall prevail and be followed.
- 4.12 These procedures will be implemented after being approved in the shareholders' meeting, same as the amendment.

**5. Related attachment: None**

**6. Related departments: All departments**

This procedure was established on April 16, 2010 after approved in the Board Meeting.

This procedure was first amended on May 19, 2010 after approved in the Shareholders' Meeting.

The procedure was second amended on April 12, 2013 after being approved by the Board Meeting.

The procedure was second amended on May 13, 2013 after being approved by the Shareholders' Meeting.

Appendix 7

All Directors' Shareholding Status

Tong Ming Enterprise Co. ,Ltd.

The Status of the Entire Directors' Shareholding

Until the Lockout Date: The Status of Each Directors' Shareholding as listed in the Shareholders' List as of April 09, 2023, is as below:

Title	Name	Shares
Chairman	Tsai Ching-Tung	3,317,625
Director	Tong One Holdings Limited Representative: Tsai Hung-Chuan	24,000,000
Director	Richard International Co.,Ltd Representative: Tsai Yi-Ting	24,000,000
Director	Ko Wew-Ling	203,786
Independent director	Wang , Shin-Kun	0
Independent director	Yang , Po-Min	0
Independent director	Chen, Yung-Lung	0
Total		51,521,411

Note: (1) The paid-in capital of the Company is NT\$2,012,033,330, and the total issued shares are 201,203,333.

(2) In accordance with the "Rules and Review Procedure for Directors and Supervisor Share Ownership Ratios at Public Companies", the minimum shares to hold for the entire Board of Directors is 12,000,000.

