

股票代碼：7827

HanchorBio Inc.

中譯：英屬開曼群島商漢康生技股份有限公司

## 2025 年股東常會 議事手冊

開 會 日 期：2025 年 4 月 20 日

開會地點：台北市內湖區堤頂大道一段 1 號 5 樓

（漢康生技股份有限公司大會議室）

召開方式：實體股東會並同時在線上通過 Teams 會議召開

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HanchorBio Inc.

2025 年股東常會開會程序

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- 四、承認事項
- 五、討論事項
- 六、臨時動議
- 七、散會

# HanchorBio Inc.

## 2025 年股東常會開會議程

時間：2025 年 4 月 20 日(星期日)上午 9 時整

地點：台北市內湖區堤頂大道一段 1 號 5 樓(漢康生技股份有限公司大會議室)

一、宣佈開會（報告出席股數）

二、主席致詞

三、報告事項

（一）2024 年度營業報告。

（二）審計委員會審查 2024 年度決算表冊報告。

（三）2024 年度累積虧損達實收資本額二分之一報告。

四、承認事項

（一）2024 年度營業報告書及財務報表案。

（二）2024 年度虧損撥補案。

五、討論事項

（一）修訂公司章程案。

（二）擬辦理私募現金增資發行普通股案。

（三）本公司董事長兼總經理劉世高及前任研發長卓宗顯之員工股票期權激勵案。

（四）本公司歷次發行授予之員工期權持股計劃(ESOP)開放同仁提早認購案。

六、臨時動議

七、散會

## 報告事項

一、2024 年度營業報告，報請公鑒。

說明：2024 年度營業報告書，請參閱本手冊第 9~11 頁附件一。

二、審計委員會審查 2024 年度決算表冊報告，報請公鑒。

說明：2024 年度審計委員會審查報告書，請參閱本手冊第 12 頁附件二。

三、2024 年度累積虧損達實收資本額二分之一報告，報請公鑒。

說明：1. 本公司截至 2024 年底之累積虧損已達實收資本額二分之一，依公司法第 211 條規定董事會應於最近一次股東會報告。

2. 依 2024 年度會計師查核簽證之財務報告，本公司截至 2024 年 12 月 31 日累積虧損為新台幣 2,828,461 仟元，已達實收資本額二分之一(新台幣 600,000 仟元)。

## 承認事項

### 第一案（董事會提）

案由：2024 年度營業報告書及財務報表案，提請 承認。

說明：（一）本公司 2024 年度合併財務報表經董事會決議通過，並經資誠聯合會計師事務所鄧聖偉會計師及顏裕芳會計師查核簽證並出具無保留意見之查核報告在案，連同營業報告書及虧損撥補表，送請審計委員會查核完竣。

（二）上開營業報告書、會計師查核報告書及合併財務報表，請參閱本手冊第 9~11 頁附件一及第 13-19 頁附件三。

（三）敬請 承認。

決議：

### 第二案（董事會提）

案由：2024 年度虧損撥補案，提請 承認。

說明：（一）本公司 2024 年度虧損撥補表業經董事會決議通過，並送請審計委員會查核完竣。

（二）2024 年度虧損撥補表，請參閱本手冊第 20 頁附件四。

（三）敬請 承認。

決議：

## 討論事項

### 第一案（董事會提）

案由：修訂公司章程案，提請 公決。

說明：（一）依據證券交易法第 14 條第 6 項規定「公司應於章程訂明以年度盈餘提撥一定比率為基層員工調整薪資或分派酬勞」，擬修訂公司章程第 1.1 條及第 14.4 條。

（二）「公司章程」修訂前後條文對照表，請參閱本手冊第 21~22 頁附件五。

（三）敬請 公決。

決議：

### 第二案（董事會提）

案由：擬辦理私募現金增資發行普通股案，提請 公決。

說明：（一）本公司為充實營運資金及因應新藥於各項適應症之臨床試驗需求，擬以私募方式辦理現金增資發行普通股，發行總股數以不逾 20,000,000 股之額度為限，並擬提請股東會授權董事會視市場狀況及公司實際需求就下述籌資方式及原則於股東會決議通過日起一年內不超過四次分次辦理。

（二）依據證券交易法第 43 條之 6 及「公開發行公司辦理私募有價證券應注意事項」規定應說明事項如下：

#### 1. 價格訂定之依據及合理性

（1）本次私募普通股價格之訂定，以不低於參考價格之八成為訂定私募價格之依據，參考價格為下列二基準計算價格孰高者定之：

- A. 定價日前 30 個營業日興櫃股票電腦議價點選系統內本公司普通股之每一營業日成交金額之總和除以每一營業日成交股數之總和計算，並扣除無償配股除權及配息，暨加回減資反除權後之股價。
- B. 定價日前最近期經會計師查核簽證或核閱之財務報告顯示之每股淨值。

（2）實際定價日及實際私募價格於不低於股東會決議成數之範圍內授權董事會視日後洽特定人及市場狀況決定之。

（3）私募價格之定價係遵循主管機關發布之相關法令定之，同時考量證券交易法對私募有價證券有三年轉讓限制、公司營運情況、未來展望及普通股市價而定，應具有合理性。

#### 2. 特定人之選擇方式

（1）特定人之選任方式與目的：本次私募之應募對象以符合證券交易法第 43 條之 6 及 112 年 9 月 12 日(112) 金管證發字第 1120383220 號令規定之特定人為限。為因應市場競爭及公司長期營運規劃，本次私募之

應募人規劃為內部人、關係人或前述之特定人。

(2) 規畫參與應募之內部人或關係人名單如下表：

應募人	與本公司之關係	應募人	與本公司之關係
劉世高	董事長	翟文武	副總經理
安富大健康二號 有限合夥	董事	嚴嵐	副總經理
代表人:林羣			
賀東光	董事	叢越華	副總經理
陸英明	董事	曾木增	副總經理
謝炘	董事		
余沁茹	獨立董事		
陳建中	獨立董事		
熊克竝	獨立董事		

3. 辦理私募之必要理由

(1) 不採用公開募集的理由

本公司考量目前公司營運狀況及資本市場接受度，為掌握募集資金之時效性及可行性，以便於最短期限內取得長期之資金，故擬透過私募方式募集資金，且私募之限制轉讓規定有助於公司經營權之穩定，另透過授權董事會視公司實際營運需求辦理私募，亦將有效提高本公司籌資之機動性與靈活性。

(2) 辦理私募之資金用途及預計達成效益

辦理私募普通股之發行總股數以不逾 20,000,000 股之額度為限，於股東會決議通過日起一年內授權董事會辦理，各分次辦理私募之資金用途及預計達成效益如下表：

次數	資金用途	預計達成效益
第一次	充實營運資金及支應新藥於各項適應症之臨床試驗。	強化本公司競爭力、提升營運效能之效益，降低公司之經營風險，對股東權益將有正面助益。
第二次		
第三次		
第四次		

(三) 本次決議辦理私募現金增資普通股之權利義務原則上與本公司已發行之普通股相同，惟其轉讓應受證券交易法第 43 條之 8 規定限制，另本次私募普通股及其嗣後所配發之普通股，自交付日起滿三年後，授權董事會視當時狀況決定向主管機關補辦公開發行程序，暨申請上市上櫃交易。

- (四) 本次私募計畫之主要內容，除私募訂價成數外，包括實際發行價格、股數、發行條件、發行時間、計畫項目、募集金額、應募人之選擇、預計進度及預計可能產生之效益等，暨其他一切有關發行計畫之事項，未來如因主管機關指示修正或基於營運評估或因客觀環境需要變更時，擬請股東會授權董事會審酌情勢並依相關規定辦理。
- (五) 本公司無董事會決議辦理私募有價證券前一年內至該私募有價證券交付日起一年內，經營權發生重大變動之情事，故不適用應洽請證券承銷商出具辦理私募必要性與合理性評估意見之規定。
- (六) 敬請 公決。

決 議：

### **第三案** (董事會提)

案 由：本公司董事長兼總經理劉世高及前任研發長卓宗顯之員工股票期權激勵案，提請公決。

- 說 明：(一) 本公司董事會 2021 年 11 月 6 日和 2022 年 6 月 24 日決議通過發行總數 48,790,698 單位員工激勵股票期權，本公司董事長兼總經理劉世高博士獲配 9,758,139 單位員工激勵股票期權。授權董事長全權處理，董事長 2022 年 4 月 1 日決定前研發長卓宗顯獲配 7,000,000 單位。
- (二) 本公司董事會 2024 年 7 月 30 日決議通過發行總數 57,686,238 單位員工激勵股票期權，追認自 2024 年 4 月 1 日即開始授予，本公司董事長兼總經理劉世高博士獲配 11,537,247 單位員工激勵股票期權。授權董事長全權處理，董事長 2024 年 4 月 1 日及 2024 年 8 月 31 日決定前研發長卓宗顯獲配共 11,000,000 單位。
- (三) 本公司董事會 2021 年 3 月 31 日決議通過發行總數 20,000,000 單位員工激勵股票期權，追認自 2021 年 3 月 1 日即開始授予，授權董事長全權處理，董事長 2021 年 3 月 1 日決定前研發長卓宗顯獲配 5,000,000 單位。
- (四) 本案劉世高及卓宗顯依利益迴避規定離席迴避討論。
- (五) 敬請 公決。

決 議：

#### **第四案**（董事會提）

案 由：本公司歷次發行授予之員工期權持股計劃（ESOP）開放同仁提早認購案，提請公決。

說 明：（一）根據本公司董事會此前通過的董事會決議，本公司歷次發行授予之員工期權持股計劃（ESOP），原發行計劃限制員工得按一定歸屬（既得）期限條件行使認股權。

（二）本公司董事會 2024 年 9 月 20 日決議通過，縮短員工期權服務年限，全數解除歷次發行授予之員工期權持股計劃（ESOP）之限制，並開放同仁可以提早行使尚未達到歸屬（既得）期限條件之認股權。

（三）敬請 公決。

決 議：

臨時動議

散會

# HanchorBio Inc.

## 2024 年度營業報告書

各位股東：

由於各位股東的支持與全體同仁的努力，在新藥的開發上又邁入新的里程碑，各項臨床試驗都進行順利，HCB101 已在一期臨床試驗證明其安全性良好。隨著與中國大陸及全球大藥廠的新藥合作談判，將會逐項完成開發與授權，真實反映新藥開發的價值。

茲將 2024 年度營業結果及 2025 年度營業計劃概要分述如下：

### 一、 2024 年度營業結果

#### (一) 2024 年度營業計畫實施成果

2024 年度營業費用為新台幣 952,118 仟元(2023 年度新台幣 538,051 仟元)，稅後淨損為新台幣 1,354,099 仟元(2023 年度稅後淨損新台幣 591,373 仟元)。

歷經 4 年多的新藥研發，本公司在全體同仁努力下，已經在 3 個創新免疫治療抗癌生物藥取得重要成果如下：

##### 1. 首個免疫治療抗癌生物藥 HCB101

- (1) 2024 年於美國、臺灣及中國大陸共 12 家醫院執行的臨床 1a 期已完成第 6 個劑量組(2.56mg/Kg)收案，6 個劑量組 23 位為受試者的數據顯示，HCB101 的安全性良好，無與藥物相關嚴重不良反應，且通過安全委員會審核安全性無虞，正式進入第 7 劑量，並於 2025 年 1 月完成 4 例患者入組。此外，於第 2、第 3、第 4 與第 5 劑量實驗中，發現有 6 名受試者其腫瘤受到良好控制而未持續惡化(stable disease) (第 6-7 劑量組患者的療效仍在評估中)。
- (2) 2023 年已於美國與臺灣相繼獲得新藥臨床試驗(IND)核准，並開始於美國及臺灣共 7 家醫院執行臨床試驗，而 2024 年於中國大陸也獲得新藥臨床試驗(IND)核准，並已開始於中國大陸 5 家醫院執行臨床試驗。
- (3) 與中國大陸藥企簽訂研發與銷售授權協議的主要條款(Term Sheet)。
- (4) 持續建立製程開發平台，包含建立 concentrated fed batch 等細胞培養的新技術，來大幅提高單位體積的產量、降低生產成本。

##### 2. 第二個免疫治療抗癌生物藥 HCB301

- (1) 此 First-in-Class 創新藥已獲得美國 FDA 新藥臨床試驗(IND)核准。即將於近期在美國、中國大陸、臺灣開啟一期臨床試驗。

##### 3. 第三個免疫治療抗癌生物藥 HCB303

- (1) 此 First-in-Class 創新藥已經完成候選物藥效學篩選，並將最優候選物成功推進 IND-enabling 階段。計劃於 2025 年底向美國 FDA 申報 IND。

#### (二) 財務收支及獲利分析

##### 1. 財務收支

本公司係屬生技產業中之新藥公司，於新藥研發階段需投入龐大之研發費用，故在營收未能支應相關營運支出之餘，除仰賴銀行融資借款以支應營運所需資金外，也順利辦理完成 B 輪融資，募集 2,500 萬美元，B 輪股東包括 Vivo Asia Spring、安富大健康二號、東安投資等知名創投，財務結構已大幅改善。

因應新藥各項適應症全球臨床試驗之開發，支付大幅之臨床試驗費用及拓展國際市場之開發計劃，本公司於 2025 年將進軍臺灣資本市場，2025 年上半年在臺灣申請股票公開發行暨興掛掛牌，2025 年下半年則向臺灣交易所申請上市，興櫃掛牌後仍將適時規劃現金增資，持續擷節各項費用之支出（2025 年度的研發支出將控制在 2,000 萬美元以內），藉以充實營運資金，有效改善財務結構，降低負債比率，同時開啟多項臨床研究計畫，以加速進入癌症藥品市場，提升所研發之新藥的整體價值，增進股東權益。

## 2. 獲利能力分析

項 目	2024 年度	2023 年度
資產報酬率(%)	(244.81)	(123.54)
權益報酬率(%)	-	-
稅前純益佔實收資本比例(%)	(112.84)	(2,595.68)
純益率(%)	-	-
每股虧損(元)	(20.36)	(11.36)

## （三）研究發展狀況

本公司主要經營項目為抗癌新藥之研發，專注於腫瘤免疫治療抗癌新藥研發，重新啟動免疫系統，以對抗腫瘤相關疾病，解決未被滿足的腫瘤治療醫療需求。

本公司專有的兩個平台“基於 Fc 設計的生物製藥 (FBDB™)”和“SDIC”平臺，分述如下：

FBDB™ 為一創新且成熟技術平台，可研發具有多種靶向模式的獨特生物製劑，能夠充分調動先天性免疫系統和適應性免疫系統的潛力，殺死腫瘤細胞，克服現有抗 PD-1/L1 免疫療法中所遇到療效不足的挑戰。目前基於 FBDB™ 平臺為基礎的生物藥已經有八種藥物在研發和製程開發中，除了第一個自主研發生物藥 HCB101 進入臨床外，其他研發候選藥也將會於未來 1-4 年陸續進入臨床階段。

SDIC 為漢康生技創新研發平台，可研發工程化細胞因子，並重新啟動於腫瘤微環境的免疫細胞，來瓦解腫瘤微環境與消滅癌症細胞。

除此之外，本公司通過在研發過程中多功能創新分子構型上的突破、以及優化蛋白藥生產製造與質控 (CMC) 中製程開發的方法和路徑，有效量產創新生物藥，並不斷採用及開發新的技術來提高品質、降低成本。

## 二、 2025 年度營業計畫概要

本公司 2025 年臨床開發計畫，說明如下：

- (一) HCB101: 在 CDX 和 PDX 模型以及臨床 2a 期試驗中評估最適合用 HCB101 治療的癌症，然後再決定最適合進入臨床 2b 期的適應症，目前 2024 年已進入第七劑量(最後一個劑量組)收案，將於 2025 年完成臨床 1a 階段的試驗。同時，將於 2025 年第一季度開始準備執行多中心的臨床 1b/2 期試驗，將針對胃癌、結直腸癌、三陰性乳癌病患與頭頸癌，各入組 30-40 名患者，以評估 HCB101 對這些癌症的療效。除此之外，HCB101 也積極拓展商務授權，已於 2024 年第三季和中國大陸藥企簽署 Term-sheet。

(二) HCB301:待通過新藥試驗許可 (IND) 後，規劃針對實體瘤病患收案，其中製程部分，已完成 50 升生物反應器放大優化完成，量產產量 (titer) 達每升 3.8 g/L；純化回收率達 68%，已為未來臨床批次生產的產程奠定基礎。在臨床方面，2024 年下半年已獲得美國食品藥物管理局(FDA)核准 IND，預計 2025 年上半年開始執行多中心臨床試驗一期。

除此之外，HCB301 商務授權部分規畫於 2025 年啟動全球商務拓展計畫。

(三) HCB303：2024 年從 in-vitro testing 階段進展進入 in-vivo testing，並順利完成 invivo 動物模型的藥效學評估和候選物篩選，已於 2024 年第四季展開靈長類動物試驗，初步的安全性確認後，將正式進入 IND-enabling 開發階段，並於完成後於 2025 年第四季向 FDA 提出 Pre-IND 諮詢，力爭於 2025 年年底申報 IND；而製程也預計於 2024 年第三季完成臨床的 GMP 生產，2025 年開始準備臨床批次生產。

(四) 本公司將於 2025 年底建立早期階段 (Early phase) 的 GMP 原液 (DS) 生產設施和生產能力，以自行生產臨床 1-2 期階段所需的臨床樣品，並大幅降低對 CDMO 的依賴和減除相關的龐大費用。

(五) 未來公司發展策略

本公司的發展策略，主要是以開發 Best in Class 及 First in Class 的新藥為目標，包含新藥探索、篩選、開發、臨床試驗、原液生產和申請藥證及上市銷售。

展望未來，一方面持續執行新藥開發之人體臨床試驗，對癌症之各項研究，創造與國際藥廠合作的契機；另一方面則努力優化產品製程以降低生產成本及擷節各項費用支出。

### 三、外部競爭環境、法規環境及總體經濟環境之潛在影響

生技產業與其他產業最大的不同之處，在於新藥研發的過程需要耗費大量的時間與資金、生技企業常處於長年的虧損而極度仰賴股東不斷的資金支援、遵循嚴格的法令規範及承擔研發失敗的風險等。

本公司目前就新藥的研發方向，以免疫治療抗癌新藥的發展為主，目前正尋求大藥廠合作的模式執行，藉由大藥廠的臨床設計經驗與授權金的獲利，使漢康生技的新藥研發能更順遂，盡早完成股東與社會賦予的新藥開發使命。

敬祝

平安喜樂、萬事如意

董 事 長：劉世高



HanchorBio Inc.  
2024 年度審計委員會審查報告書

茲 准

董事會造具本公司 2024 年度財務報表、營業報告書及虧損撥補議案，前述財務報表業經資誠聯合會計師事務所鄧聖偉會計師及顏裕芳會計師查核完竣，並出具無保留意見之會計師查核報告。上述財務報表、營業報告書、及虧損撥補議案，經本審計委員會審查，認為尚無不合，爰依證券交易法第 14 條之 4 及公司法第 219 條之規定，備具報告書，敬請 鑒核。

此 致

HanchorBio Inc. 2025 年股東常會

審計委員會召集人：



西 元 2 0 2 5 年 2 月 1 0 日

**會計師查核報告**

(25)財審報字第 25000022 號

HanchorBio Inc. 公鑒：

**查核意見**

HanchorBio Inc. 及子公司(以下簡稱「漢康集團」)西元 2024 年12月31 日及 2023 年12月31 日之合併資產負債表，暨西元 2024 年及2023 年1月1 日至12月31 日之合併綜合損益表、合併權益變動表、合併現金流量表，以及合併財務報表附註(包括重大會計政策彙總)，業經本會計師查核竣事。

依本會計師之意見，上開合併財務報表在所有重大方面係依照證券發行人財務報告編製準則及經金融監督管理委員會認可並發布生效之國際財務報導準則、國際會計準則、解釋及解釋公告編製，足以允當表達漢康集團西元 2024 年及2023 年 12 月 31 日之合併財務狀況，暨西元 2024 年及 2023 年 1 月 1 日至 12 月 31 日之合併財務績效及合併現金流量。

**查核意見之基礎**

本會計師係依照會計師受託查核簽證財務報表規則及中華民國審計準則執行查核工作。本會計師於該等準則下之責任將於會計師查核合併財務報表之責任段進一步說明。本會計師所隸屬事務所受獨立性規範之人員已依中華民國會計師職業道德規範，與漢康集團保持超然獨立，並履行該規範之其他責任。本會計師相信已取得足夠及適切之查核證據，以作為表示查核意見之基礎。

**管理階層對財務報表之責任**

管理階層之責任係依照證券發行人財務報告編製準則暨經金融監督管理委員會認可並發布生效之國際財務報導準則、國際會計準則、解釋及解釋公告編製允當表達之合併財務報表，且維持與合併財務報表編製有關之必要內部控制，以確保合併財務報表未存有導因於舞弊或錯誤之重大不實表達。

資誠聯合會計師事務所 PricewaterhouseCoopers,  
Taiwan 110208 臺北市信義區基隆路一段 333 號 27 樓  
27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 110208,  
Taiwan T: +886 (2) 2729 6666, F: + 886 (2) 2729 6686, www.pwc.tw

於編製合併財務報表時，管理階層之責任亦包括評估漢康集團繼續經營之能力、相關事項之揭露，以及繼續經營會計基礎之採用，除非管理階層意圖清算漢康集團或停止營業，或除清算或停業外別無實際可行之其他方案。

漢康集團之治理單位負有監督財務報導流程之責任。

## 會計師查核財務報表之責任

本會計師查核合併財務報表之目的，係對合併財務報表整體是否存有導因於舞弊或錯誤之重大不實表達取得合理確信，並出具查核報告。合理確信係高度確信，惟依照中華民國審計準則執行之查核工作無法保證必能偵出合併財務報表存有之重大不實表達。不實表達可能導因於舞弊或錯誤。如不實表達之個別金額或彙總數可合理預期將影響合併財務報表使用者所作之經濟決策，則被認為具有重大性。

本會計師依照中華民國審計準則查核時，運用專業判斷及專業懷疑。本會計師亦執行下列工作：

1. 辨認並評估合併財務報表導因於舞弊或錯誤之重大不實表達風險；對所評估之風險設計及執行適當之因應對策；並取得足夠及適切之查核證據以作為查核意見之基礎。因舞弊可能涉及共謀、偽造、故意遺漏、不實聲明或踰越內部控制，故未偵出導因於舞弊之重大不實表達之風險高於導因於錯誤者。
2. 對與查核攸關之內部控制取得必要之瞭解，以設計當時情況下適當之查核程序，惟其目的非對漢康集團內部控制之有效性表示意見。
3. 評估管理階層所採用會計政策之適當性，及其所作會計估計與相關揭露之合理性。
4. 依據所取得之查核證據，對管理階層採用繼續經營會計基礎之適當性，以及使漢康集團繼續經營之能力可能產生重大疑慮之事件或情況是否存在重大不確定性，作出結論。本會計師若認為該等事件或情況存在重大不確定性，則須於查核報告中提醒合併財務報表使用者注意合併財務報表之相關揭露，或於該等揭露係屬不適當時修正查核意見。本會計師之結論係以截至查核報告日所取得之查核證據為基礎。惟未來事件或情況可能導致漢康集團不再具有繼續經營之能力。

5.



6. 評估合併財務報表（包括相關附註）之整體表達、結構及內容，以及合併財務報表是否允當表達相關交易及事件。
7. 對於集團內組成個體之財務資訊取得足夠及適切之查核證據，以對合併財務報表表示意見。本會計師負責集團查核案件之指導、監督及執行，並負責形成集團查核意見。

本會計師與治理單位溝通之事項，包括所規劃之查核範圍及時間，以及重大查核發現（包括於查核過程中所辨認之內部控制顯著缺失）

資 誠 聯 合 會 計 師 事 務 所

鄧聖偉

會計師

顏裕芳



金融監督管理委員會

核准簽證文號：金管證審字第 1020013788 號

金管證審字第 1080323093 號

西 元 2 0 2 5 年 2 月 1 4 日



HanchorBio Inc. 及子公司  
合併資產負債表  
西元 2024 年及 2023 年 12 月 31 日

單位：新台幣仟元

			2024 年 12 月 31 日		2023 年 12 月 31 日	
資 產		附註	金 額	%	金 額	%
流動資產						
1100	現金及約當現金	六(一)	\$ 405,498	75	\$ 341,869	60
1110	透過損益按公允價值衡量之金融資產—流動	六(二)	-	-	73,559	13
1136	按攤銷後成本衡量之金融資產—流動	六(三)及八	14,419	3	13,933	2
1200	其他應收款		3,005	-	1,700	-
1410	預付款項		10,049	2	8,733	2
1470	其他流動資產	八	212	-	-	-
11XX	流動資產合計		433,183	80	439,794	77
非流動資產						
1600	不動產、廠房及設備	六(四)及八	81,934	15	87,431	15
1755	使用權資產	六(五)	19,035	3	31,057	6
1780	無形資產	六(六)	2,861	1	3,895	1
1900	其他非流動資產	六(十)	4,775	1	5,481	1
15XX	非流動資產合計		108,605	20	127,864	23
1XXX	資產總計		\$ 541,788	100	\$ 567,658	100
負債及權益						
流動負債						
2100	短期借款	六(七)	\$ 26,376	5	\$ 29,597	5
2120	透過損益按公允價值衡量之金融負債—流動	六(九)	89,746	17	-	-
2200	其他應付款	六(八)	173,514	32	171,918	30
2280	租賃負債—流動		12,324	2	11,567	2
2300	其他流動負債	六(十)	1,153	-	9,423	2
21XX	流動負債合計		303,113	56	222,505	39
非流動負債						
2500	透過損益按公允價值衡量之金融負債—非流動	六(九)	-	-	1,696,032	299
2580	租賃負債—非流動		7,558	1	19,882	3
25XX	非流動負債合計		7,558	1	1,715,914	302
2XXX	負債總計		310,671	57	1,938,419	341
權益						
股本						
3110	普通股股本	六(十三)	1,200,000	222	22,783	4
資本公積						
3200	資本公積	六(十四)	1,989,464	367	128,536	23
保留盈餘						
3350	待彌補虧損	六(十五)	( 2,828,461 )	( 522 )	( 1,474,362 )	( 260 )
3400	其他權益	六(十二)	( 129,886 )	( 24 )	( 47,718 )	( 8 )
31XX	歸屬於母公司業主之權益合計		231,117	43	( 1,370,761 )	( 241 )
3XXX	權益總計		231,117	43	( 1,370,761 )	( 241 )
重大或有負債及未認列之合約承諾						
重大期後事項						
3X2X	負債及權益總計	九 十一	\$ 541,788	100	\$ 567,658	100

董事長：劉世高



經理人：劉世高



會計主管：曾木增





西元2024年及2023年1月1日至12月31日

單位：新台幣仟元  
(除每股虧損為新台幣元外)

項目	附註	2024 金	年 額	度 %	2023 金	年 額	度 %
營業費用	六(十九)(二十)						
6200 管理費用		( \$	162,881)	-	( \$	38,841)	-
6300 研究發展費用		(	789,237)	-	(	499,210)	-
6000 營業費用合計		(	952,118)	-	(	538,051)	-
6900 營業損失		(	952,118)	-	(	538,051)	-
營業外收入及支出							
7100 利息收入	六(十六)		6,282	-		7,912	-
7010 其他收入			89	-		8	-
7020 其他利益及損失	六(十七)	(	403,448)	-	(	58,468)	-
7050 財務成本	六(十八)	(	4,904)	-	(	2,774)	-
7000 營業外收入及支出合計		(	401,981)	-	(	53,322)	-
8200 本期淨損		( \$	1,354,099)	-	( \$	591,373)	-
後續不重分類至損益之項目							
8341 國外營運機構財務報表換算之 兌換差額		( \$	89,012)	-	\$	7,960	-
後續可能重分類至損益之項目							
8361 國外營運機構財務報表換算之 兌換差額		(	1,656)	-	(	625)	-
8300 其他綜合損益(淨額)		( \$	90,668)	-	\$	7,335	-
8500 本期綜合損益總額		( \$	1,444,767)	-	( \$	584,038)	-
淨損歸屬於：							
8610 母公司業主		( \$	1,354,099)	-	( \$	591,356)	-
8620 非控制權益			-	-	(	17)	-
		( \$	1,354,099)	-	( \$	591,373)	-
綜合損益總額歸屬於：							
8710 母公司業主		( \$	1,444,767)	-	( \$	584,021)	-
8720 非控制權益			-	-	(	17)	-
		( \$	1,444,767)	-	( \$	584,038)	-
每股虧損	六(二十二)						
9750 基本每股虧損		( \$		20.36)	( \$		11.36)
9850 稀釋每股虧損		( \$		20.36)	( \$		11.36)

董事長：劉世高



經理人：劉世高



會計主管：曾木增





HanchorBio Inc. 及子公司  
合併權益變動表  
西元2024年及2023年1月1日至12月31日

單位：新台幣仟元

歸屬於母公司業主之權益								
其他權益								
國外營運機構財務報表換算之兌換差額								
其他權益總計								
附註	普通股股本	資本公積	待彌補虧損	之兌換	差額	其他權益	總計	非控制權益
額								總權益
	\$ 22,783	\$ 75,674	(\$ 882,946)	(\$ 46,532)	(\$ 3,538)	(\$ 834,559)	\$ 36	(\$ 834,523)
	-	-	( 591,356)	-	-	( 591,356)	( 17)	( 591,373)
	-	-	-	7,335	-	7,335	-	7,335
	-	-	( 591,356)	7,335	-	( 584,021)	( 17)	( 584,038)
	( 270)	( 808)	-	-	-	( 1,078)	-	( 1,078)
	270	17,699	-	-	( 16,891)	1,078	-	1,078
六(十二)	-	-	-	-	11,929	11,929	-	11,929
六(十二)	-	35,971	-	-	-	35,971	-	35,971
四(三)	-	-	( 60)	( 21)	-	( 81)	( 19)	( 100)
	\$ 22,783	\$ 128,536	(\$ 1,474,362)	(\$ 39,218)	(\$ 8,500)	(\$ 1,370,761)	\$ -	(\$ 1,370,761)
	\$ 22,783	\$ 128,536	(\$ 1,474,362)	(\$ 39,218)	(\$ 8,500)	(\$ 1,370,761)	\$ -	(\$ 1,370,761)
	-	-	( 1,354,099)	-	-	( 1,354,099)	-	( 1,354,099)
	-	-	-	( 90,668)	-	( 90,668)	-	( 90,668)
	-	-	( 1,354,099)	( 90,668)	-	( 1,444,767)	-	( 1,444,767)
六(十二)	-	-	-	-	8,500	8,500	-	8,500
六(十二)	-	303,463	-	-	-	303,463	-	303,463
六(十三)	53	7,033	-	-	-	7,086	-	7,086
六(十二)(十三)	2,466	110,531	-	-	-	112,997	-	112,997
六(九)(十三)	19,389	2,595,210	-	-	-	2,614,599	-	2,614,599
六(十三)	1,155,309	( 1,155,309)	-	-	-	-	-	-
	\$ 1,200,000	\$ 1,989,464	(\$ 2,828,461)	(\$ 129,886)	\$ -	\$ 231,117	\$ -	\$ 231,117

董事長：劉世高



經理人：劉世高



會計主管：曾木增





西元 2024 年及 2023 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元

	附註	2024 年 1 月 1 日 至 12 月 31 日	2023 年 1 月 1 日 至 12 月 31 日
<b>營業活動之現金流量</b>			
本期稅前淨損		(\$ 1,354,099)	(\$ 591,373)
調整項目			
收益費損項目			
折舊費用	六(四)(五)		
	(十九)	36,179	32,942
攤銷費用	六(六)(十九)	1,224	938
利息費用	六(十八)	4,904	2,744
利息收入	六(十六)	(6,282)	(7,912)
股份基礎給付酬勞成本	六(十二)(十七)	311,963	47,900
租約修改利益	六(十七)	-	(2,918)
透過損益按公允價值衡量之金融資產利益	六(十七)	(1,121)	(942)
透過損益按公允價值衡量之金融負債淨損	六(十七)		
失		399,213	65,447
與營業活動相關之資產/負債變動數			
與營業活動相關之資產之淨變動			
其他應收款		(1,305)	54
預付款項		(1,316)	(5,626)
其他流動資產		(212)	-
其他非流動資產		706	(198)
與營業活動相關之負債之淨變動			
其他應付款		1,717	14,515
其他流動負債		262	(328)
營運產生之現金流出		(608,167)	(444,757)
收取之利息		6,282	7,912
利息支付數		(4,904)	(2,744)
營業活動之淨現金流出		(606,789)	(439,589)
<b>投資活動之現金流量</b>			
取得透過損益按公允價值衡量之金融資產		(278,350)	(520,858)
處分透過損益按公允價值衡量之金融資產		355,195	447,077
取得按攤銷後成本衡量之金融資產-流動		(486)	(13,933)
取得不動產、廠房及設備	六(二十三)	(18,777)	(22,038)
取得無形資產	六(六)	(190)	(1,143)
投資活動之淨現金流入(流出)		57,392	(110,895)
<b>籌資活動之現金流量</b>			
透過損益按公允價值衡量之金融負債增加		805,262	635,698
透過損益按公允價值衡量之金融負債減少		(296,039)	-
取得短期借款		26,236	29,693
償還短期借款		(30,468)	-
租賃本金償還	六(二十四)	(11,567)	(10,204)
償還長期借款	六(二十四)	(8,532)	(9,870)
向非控制權益購入子公司股份		-	(100)
現金增資	六(十三)	7,086	-
執行認股權	六(十二)	112,997	-
籌資活動之淨現金流入		604,975	645,217
匯率變動對現金及約當現金之影響		8,051	1,048
本期現金及約當現金增加數		63,629	95,781
期初現金及約當現金餘額		341,869	246,088
期末現金及約當現金餘額		\$ 405,498	\$ 341,869

後附合併財務報表附註為本合併財務報告之一部分，請併同參閱。

董事長：劉世高



經理人：劉世高



會計主管：曾木增



# HanchorBio Inc.

附件四

## 2024 年度虧損撥補表

HanchorBio Inc. 及子公司

虧損撥補表

2024年度

單位：新台幣元

項 目	金 額
期初累積虧損	(1,474,362,151)
加：本期稅後淨損	(1,354,098,735)
本期待彌補虧損	(2,828,460,886)
彌補虧損	0
期末累積虧損	(2,828,460,886)

董事長：



經理人：



會計主管：



**HanchorBio Inc.**  
**英屬開曼群島商漢康生技股份有限公司**  
**公司章程修正條文對照表**

CL.	Original Provision	Revised Provision
Cover/Page1	(adopted by Special Resolution passed on November 20, 2024)	(adopted by Special Resolution passed on November 20, 2024) (adopted by Special Resolution passed on April XX, 2025)
1.1	<p>( 略 )</p> <p>Employee has the meaning given thereto Subscription in Article 2.3; Portion</p>	<p>( 略 )</p> <p>Employee has the meaning given thereto Subscription in Article 2.3; Portion</p> <p>Employee shall mean the employees who of are not appointed as senior Entry-Level managers by the Board and whose salary is below the baseline level specified in the "Regulations for Tax Preferences Provided to SME (Small and Medium Enterprises) on Wage Payment Raising."</p>
14.4	For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, unless otherwise provided in the Law, the Applicable Public Company Rules or the Articles, upon the final settlement of the Company's accounts, if there is "surplus profit" (as defined below), the Company shall set aside no less than 1 percent as compensation to employees ("Employees' Compensations") and Employees' Compensations may be distributed to employees of the Company and its Subsidiaries, who meet certain qualifications determined by the Board. The Company	For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, unless otherwise provided in the Law, the Applicable Public Company Rules or the Articles, upon the final settlement of the Company's accounts, if there is "surplus profit" (as defined below), the Company shall set aside no less than 1 percent as compensation to employees ("Employees' Compensations") and Employees' Compensations may be distributed to employees of the Company and its Subsidiaries, who meet certain qualifications determined by the Board. <b>The proportion</b>

CL.	Original Provision	Revised Provision
	<p>shall, from the surplus profit, set aside no more than 3 percent as remuneration for the Directors (excluding the Independent Directors) ("Directors' Remuneration"). The distribution proposals in respect of Employees' Compensation and Directors' Remuneration shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors and submitted to the shareholders' meeting for report. However, if the Company has accumulated losses, the Company shall reserve an amount thereof for making up the losses before proceeding with the abovementioned distributions and allocation. The "surplus profit" referred to above means the net profit before tax and for the avoidance of doubt, such amount is before any payment of compensation to employees and remuneration for the Directors.</p>	<p><b>allocated to Employees of Entry Level shall not be less than 15% of the aforementioned Employees' Compensations.</b> The Company shall, from the surplus profit, set aside no more than 3 percent as remuneration for the Directors (excluding the Independent Directors) ("Directors' Remuneration"). The distribution proposals in respect of Employees' Compensation and Directors' Remuneration shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors and submitted to the shareholders' meeting for report. However, if the Company has accumulated losses, the Company shall reserve an amount thereof for making up the losses before proceeding with the abovementioned distributions and allocation. The "surplus profit" referred to above means the net profit before tax and for the avoidance of doubt, such amount is before any payment of compensation to employees and remuneration for the Directors.</p>

Company Number: 368042

**THE COMPANIES ACT (AS REVISED)**  
**COMPANY LIMITED BY SHARES**  
**AMENDED AND RESTATED MEMORANDUM**  
**AND**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**HanchorBio Inc.**

Incorporated on the 11<sup>th</sup> day of November, 2020  
(adopted by a Special Resolution passed on November 20, 2024)

www.cerf.gov.hk File# 368042



Filed: 20-Nov-2024 18:39 EST  
Auth Code: A57936107883

THE COMPANIES ACT (As Revised)  
COMPANY LIMITED BY SHARES  
AMENDED AND RESTATED  
MEMORANDUM OF ASSOCIATION

OF

HanchorBio Inc.

(adopted by a Special Resolution passed on November 20, 2024)

1. The name of the Company is HanchorBio Inc.
2. The Registered Office of the Company is at the offices of Asia Leading Corporate Services (Cayman) Limited, Suite 102, Cannon Place, P.O. Box 712, North Sound Rd., George Town, Grand Cayman, KY1-9006, Cayman Islands, or at such other place within the Cayman Islands as the Board may decide.
3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by the Companies Act (As Revised).
4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by the Companies Act (As Revised).
5. Nothing in the preceding sections shall be deemed to permit the Company to carry on the business of a Bank or Trust Company without being licensed in that behalf under the provisions of the Banks and Trust Companies Act (As 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 provisions of the Insurance Act (As Revised), or to carry on the business of Company Management without being licensed in that behalf under the provisions of the Companies Management Act (As Revised).
6. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
7. The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.



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8. The authorized share capital of the Company is New Taiwan Dollars 3,000,000,000 divided into 300,000,000 ordinary shares of a par value of New Taiwan Dollars [10.00] each provided always that subject to the provisions of the Companies Act (As Revised) and the Articles of Association, the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be Ordinary, Preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.
9. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies Act (As Revised).



**THE COMPANIES ACT (AS REVISED)**  
**COMPANY LIMITED BY SHARES**  
**AMENDED AND RESTATED**  
  
**ARTICLES OF ASSOCIATION**  
  
**OF**  
  
**HanchorBio Inc.**

(adopted by a Special Resolution passed on November 20, 2024)

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**THE COMPANIES ACT (AS REVISED)**  
**COMPANY LIMITED BY SHARES**  
**AMENDED AND RESTATED ARTICLES OF ASSOCIATION**  
  
**OF**  
  
**HanchorBio Inc.**

(adopted by a Special Resolution passed on November 20, 2024)

**Table A**

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

**INTERPRETATION**

**1. Definitions**

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

Acquisition	as defined in the ROC Business Mergers and Acquisitions Act whereby a company acquires shares, business or assets of another company on exchange for shares, cash or other assets.
Applicable Law	the Applicable Public Company Rules, the Law or such other rules or legislation applicable to the Company;
Applicable Public Company Rules	the ROC laws, rules and regulations (including, without limitation, the Company Law of the ROC, the Securities and Exchange Law of the ROC, the rules and regulations promulgated by the FSC, the rules and regulations promulgated by the TPEX and the rules and regulations promulgated by the TWSE, as amended from time to time) affecting public reporting



	companies or companies listed on any ROC stock exchange or securities market that from time to time are required by the relevant regulator as applicable to the Company;
Articles	these Articles of Association as altered from time to time;
Audit Committee	the audit committee of the Board, which shall comprise solely of all the Independent Directors of the Company;
Board	the board of directors appointed or elected pursuant to the Articles and acting at a meeting of directors at which there is a quorum in accordance with the Articles;
Capital Reserve	for the purpose of the Articles only, comprises of the premium paid on the issuance of any share and income from endowments received by the Company;
Chairman	the Director elected amongst all the Directors as the chairman of the Board;
Company	HanchorBio Inc.;
Compensation Committee	a committee of the Board, which shall be comprised of professional individuals and having the functions, in each case, prescribed by the Applicable Public Company Rules;
Communication Facilities	shall mean video, video-conferencing, internet or online -conferencing and/or any other video-communication facilities permitted under the Applicable Public Company Rules;
Cumulative Voting	the voting mechanism for an election of Directors as described in Article 35.2;
Directors	the directors for the time being of the Company and shall include any and all Independent Director(s);



Directors' Remuneration	has the meaning given thereto in Article 14.4;
Dissenting Member	has the meaning given thereto in Article 28.2;
Electronic Record	has the same meaning as in the Electronic Transactions Act;
Electronic Transactions Act	the Electronic Transactions Act (As Revised) of the Cayman Islands;
Employees' Compensations	has the meaning given thereto in Article 14.4;
Employee Subscription Portion	has the meaning given thereto in Article 2.3;
ESM	the emerging stock market of the ROC;
Family Relationship within Second Degree of Kinship	in respect of a person, means another person who is related to the first person either by blood or by marriage of a member of the family and within the second degree shall include the parents, siblings, grandparents, children and grandchildren of the first person as well as the parents, siblings and grandparents of the first person's spouse;
FSC	the Financial Supervisory Commission of the ROC;
Independent Directors	the Directors who are elected as "Independent Directors" in accordance with the Applicable Public Company Rules or the Articles;
Joint Operation Contract	a contract between the Company and one or more person(s) or entit(ies) where the parties thereto agree to pursue the same business venture and jointly bear losses and enjoy profits arising out of such business venture in accordance with the terms thereof;
Law	The Companies Act (As Revised) of the Cayman Islands and every modification



	reenactment or revision thereof for the time being in force;
Lease Contract	a contract or arrangement between the Company and any other person(s) pursuant to which such person(s) lease or rent from the Company the necessary means and assets to operate the whole business of the Company in the name of such person, and as consideration, the Company receives a pre-determined compensation from such person;
Litigious and Non-Litigious Agent	a person appointed by the Company pursuant to the Applicable Law as the Company's process agent for purposes of service of documents in the relevant jurisdiction and the Company's responsible person in the ROC under the Securities and Exchange Law of the ROC;
Management Contract	a contract or arrangement between the Company and any other person(s) pursuant to which such person(s) manage and operate the business of the Company in the name of and for the benefit of the Company, and as consideration, such person(s) receive a pre-determined compensation from the Company while the Company continues to be entitled to the profits (or losses) of such business;
Market Observation Post System	the public company reporting system maintained by the TWSE;
Member	a person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means a person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;



Memorandum	the memorandum of association of the Company as altered from time to time;
Merger	means: (a) a "merger" or "consolidation" as defined under the Law; or (b) other forms of mergers and acquisitions which fall within the definition of "merger and/or consolidation" under the Applicable Public Company Rules;
month	calendar month;
Notice	written notice as further provided in the Articles unless otherwise specifically stated;
Officer	any person appointed by the Board to hold an office in the Company;
Ordinary Resolution	a resolution passed at a general meeting (or, if so specified, a meeting of Members holding a class of shares) of the Company by not less than a simple majority vote of the Members present at the meeting, in person or by proxy;
Preferred Shares	has the meaning given thereto in Article 6;
Private Placement	means, for so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in Taiwan, the private placement by the Company of shares or other securities of the Company as permitted by the Applicable Public Company Rules;
Public Offering Portion	has the meaning given thereto in Article 2.3;
Register of Directors and Officers	the register of directors and officers referred to in Article 42;
Register of Members	the register of members of the Company maintained in accordance with the Law and (as long as the shares of the Company are traded on the ESM or listed on the TPEx or



	the TWSE in Taiwan) the Applicable Public Company Rules;
Registered Office	the registered office for the time being of the Company;
Restricted Shares	has the meaning given thereto in Article 2.5;
ROC	Taiwan, the Republic of China;
Seal	the common seal or any official or duplicate seal of the Company;
Secretary	a person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
share(s)	share(s) of par value New Taiwan Dollars [10.00] each in the Company;
Share Exchange	a 100% share exchange as defined in the ROC Business Mergers and Acquisitions Act whereby a company (the "Acquiring Company") acquiring all the issued and outstanding shares of another company with the consideration being the shares of the Acquiring Company, cash or other assets;
Special Resolution	Subject to the Law, means a resolution passed at a general meeting of the Company by a majority of at least two-thirds of the votes cast by such Members who, being entitled to do so, vote in person or by their proxies, or, in the case of Members that are corporations or other non-natural person, by their duly authorized representatives by computing the number of votes to which each Member is entitled;
Spin-off	a spin-off as defined in the ROC Business Mergers and Acquisitions Act whereby a company transfers a part or all of its business that may be operated independently to an existing company or a



	newly incorporated company (the "Acquirer") with the consideration being the shares of the Acquirer, cash or other assets;
Statutory Reserve	has the meaning given thereto in Article 14.5;
Subsidiary	with respect to any company, (1) the entity, more than one half of whose total number of the issued voting shares or the total amount of the share capital are directly or indirectly held by such company; or (2) the entity that such company has a direct or indirect control over its personnel, financial or business operation;
Supermajority Resolution	a resolution passed by a majority vote of the Members present at a general meeting attended by Members who represent two-thirds or more of the total issued shares or, if the total number of shares represented by the Members present at the general meeting is less than two-thirds of the total issued shares, but more than one half of the total issued shares, means instead, a resolution passed by two-thirds or more of votes cast by the Members present at such general meeting;
TPEX	the Taipei Exchange;
Treasury Shares	means shares of the Company held in treasury pursuant to the Law and the Articles;
TDCC	the Taiwan Depository & Clearing Corporation;
TWSE	the Taiwan Stock Exchange Corporation;
Virtual Meeting	means any general meeting of the Members at which the Members (and any other permitted participants of such meeting, including without limitation, the Chairman



of such meeting and any Directors) are permitted to attend and participate solely by means of Communication Facilities; and

year

calendar year.

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

- (a) words denoting the plural number include the singular number and vice versa;
- (b) words denoting the masculine gender include the feminine and neuter genders;
- (c) words importing persons include companies, associations or bodies of persons whether corporate or not;
- (d) the words:-
  - (i) "may" shall be construed as permissive; and
  - (ii) "shall" shall be construed as imperative;
- (e) "written" and "in writing" include all modes of representing or reproducing words in visible form, including the form of an Electronic Record;
- (f) a reference to statutory provision shall be deemed to include any amendment or re-enactment thereof;
- (g) unless otherwise provided herein, words or expressions defined in the Law shall bear the same meaning in the Articles; and
- (h) Sections 8 and 19 (3) of the Electronic Transactions Act shall not apply to the extent that it imposes obligations or requirements in addition to those set out in the Articles.

**1.3** Headings used in the Articles are for convenience only and are not to be used or relied upon in the construction hereof.

**SHARES**

**2. Power to Issue Shares**

- 2.1** Subject to Applicable Law, the Articles and any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares of the Company on such terms and conditions as it may determine and any shares or class of shares (including the issue or grant of options, warrants and other rights, renounceable or otherwise in respect of shares) may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may, subject to Article 6.1, by Ordinary Resolution of the Members prescribe, provided that no share shall be issued at a discount except in



accordance with the Law and the Applicable Public Company Rules.

- 2.2** Unless otherwise provided in the Articles, the issue of new shares of the Company shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors. The issue of new shares shall at all times be subject to the sufficiency of the authorized capital of the Company.
- 2.3** After the application for trading of the shares on the ESM or listing in the ROC has been approved by the TPEx or the TWSE, as applicable, where the Company increases its issued share capital by issuing new shares for cash consideration in the ROC, the Company shall allocate 10% of the total amount of the new shares to be issued, for offering in the ROC to the public ("**Public Offering Portion**") unless it is not necessary or appropriate, as determined by the FSC, the TPEx or the TWSE (as applicable) for the Company to conduct the aforementioned public offering or otherwise provided by Applicable Law. However, if a percentage higher than the aforementioned 10% is resolved by the Members in a general meeting by Ordinary Resolution to be offered, the percentage determined by such resolution shall prevail and shares corresponding to such percentage shall be reserved as Public Offering Portion. The Company may also reserve no more than ten percent of such new shares for subscription by the employees of the Company and its Subsidiaries ("**Employee Subscription Portion**"). The Company may prohibit such employees from transferring the shares so subscribed within a certain period; provided, however, that such a period cannot be more than two years.
- 2.4** Unless otherwise resolved by the Members in general meeting by Ordinary Resolution, where the Company increases its issued share capital by issuing new shares for cash consideration pursuant to Article 2.3, after allocation of the Public Offering Portion, including, for the avoidance of doubt, any percentage in excess of 10% of the total amount of the new shares to be issued for offering in the ROC to the public as resolved by the Members in general meeting be offered pursuant to Article 2.3, and the Employee Subscription Portion pursuant to Article 2.3, the Company shall make a public announcement and notify each Member that he is entitled to exercise a pre-emptive right to purchase his pro rata portion of the remaining new shares, to be issued in the capital increase for cash consideration. The Company shall state in such announcement and notices to the Members the procedures for exercising such pre-emptive rights. Where an exercise of the pre-emptive right may result in fractional entitlement of a Member, the entitlements (including fractional entitlements) of two or more Members may be combined to jointly subscribe for one or more whole new shares in the name of a single Member, subject to compliance with the Applicable Public Company Rules. If the total number of the new shares to be issued has not been fully subscribed for by the Members within the prescribed period, the Company may consolidate such shares into the public offering tranche or offer any un-subscribed new shares to a specific person or persons in such manner as is consistent with the Applicable



#### Public Company Rules.

If any person who has subscribed the new shares (by exercising the aforesaid pre-emptive right of Members or subscribing the Public Offering Portion or the Employee Subscription Portion) fails to pay when due any amount of the subscription price in relation to such newly-issued shares within the payment period as determined by the Company, the Company shall fix a period of no less than one month and call for payment of the subscription price; otherwise, the Company may declare a forfeiture of such subscription. No forfeiture of such subscription shall be declared as against any such person unless the amount due thereon shall remain unpaid for such period after such demand has been made. Notwithstanding the provisions of the preceding sentence, forfeiture of the subscription may be declared without the demand process if the payment period for subscription price set by the Company is one month or longer. Upon forfeiture of the subscription, the shares remaining unsubscribed to shall be offered for subscription in such manner as is consistent with the Applicable Public Company Rules.

- 2.5** Subject to the Applicable Law, the Company may issue new shares with restricted rights ("**Restricted Shares**") to employees of the Company and its Subsidiaries with the sanction of a Supermajority Resolution provided that Article 2.3 shall not apply in respect of the issue of such shares. For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, the terms of issue of Restricted Shares, including but not limited to the number of Restricted Shares so issued, issue price of Restricted Shares and other related matters shall be in accordance with the rules promulgated by the competent authority of securities of the ROC.
- 2.6** The pre-emptive right of employees under Article 2.3 and the pre-emptive right of Members under Article 2.4 shall not apply in the event that new shares are issued due to the following reasons or for the following purposes:
- (a) in connection with a Merger, Share Exchange, Spin-off, or pursuant to any reorganization of the Company;
  - (b) in connection with meeting the Company's obligations under share subscription warrants and/or options, including those rendered in Articles 2.8 and 2.11;
  - (c) in connection with the issue of Restricted Shares in accordance with Article 2.5;
  - (d) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire shares;
  - (e) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire shares;



- (f) in connection with the issue of shares in accordance with Article 14.7 or Article 17; or
- (g) in connection with Private Placement of the securities issued by the Company.

- 2.7 The Company shall not issue any unpaid shares or partly paid shares.
- 2.8 Notwithstanding Article 2.5, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, adopt one or more employee incentive programmes and may issue shares or options, warrants or other similar instruments, to employees of the Company and its Subsidiaries.
- 2.9 Options, warrants or other similar instruments issued in accordance with Article 2.8 above are not transferable save by inheritance.
- 2.10 Directors of the Company and its Subsidiaries shall not be eligible for Restricted Shares pursuant to Article 2.5 or the incentive programmes pursuant to Article 2.8, provided that directors who are also employees of the Company or its Subsidiaries may subscribe for Restricted Shares or participate in an incentive programme in their capacity as an employee and not as a director of the Company or its Subsidiaries.
- 2.11 The Company may enter into agreements with employees of the Company and/or the employees of its Subsidiaries in relation to the incentive programme approved pursuant to Article 2.8 above, whereby employees may subscribe for, within a specific period, a specific number of the shares. The terms and conditions of such agreements shall be no less restrictive on the relevant employee than the terms specified in the applicable incentive programme.

### 3. Redemption and Purchase of Shares

- 3.1 Subject to the Law, the Company is authorized to issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Member.
- 3.2 The Company is authorized to make payments in respect of the redemption of its shares out of capital or out of any other account or fund authorized for this purpose in accordance with the Law.
- 3.3 The redemption price of a redeemable share, or the method of calculation thereof, shall be fixed by the Board at or before the time of issue.
- 3.4 Every share certificate relating to redeemable share shall indicate that the share is redeemable.
- 3.5 For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, subject to the provisions of the Applicable Law and the Articles, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, purchase its own shares (including any redeemable shares) on such terms and in such manner as the Board



may determine and hold them as Treasury Shares in accordance with the Applicable Law PROVIDED THAT if any purchase of the Company's own shares from all the Members involves any immediate cancellation of shares of the Company, such repurchase of shares is subject to approval by the Members by way of an Ordinary Resolution and the number of shares of the Company to be cancelled shall be effected based on the then prevailing percentage of shareholding of all the Members as of the date of such cancellation on a pro rata basis (as rounded up or down to the nearest whole number as determined by the Board), unless otherwise provided for in the Law or the Applicable Public Company Rules.

Upon approval by Members by way of an Ordinary Resolution to repurchase and cancel shares of the Company, the repurchase price may be paid in any manner authorized by the Law, including in cash or in kind, provided that where any repurchase price is to be paid in kind, the monetary equivalent value of such payment in kind shall be (a) assessed by an ROC certified public accountant before being submitted by the Board to the Members for approval as part of the Ordinary Resolution authorizing the repurchase and cancellation of shares of the Company; and (b) agreed to individually by each Member who will be receiving the repurchase price in kind. Without prejudice to this Article 3.5, in the case of a repurchase of shares by the Company for purposes of changing the currency denomination of share capital of the Company, consent of the holders of the shares subject to such repurchase shall not be required.

- 3.6** In the event that the Company proposes to purchase any share traded on the ESM or listed on the TPEx or the TWSE in the ROC and holds them as Treasury Shares pursuant to the preceding Article, the resolution of the Board approving such proposal and the implementation thereof should be reported to the Members in the next general meeting in accordance with the Applicable Public Company Rules. Such reporting obligation shall also apply even if the Company does not implement the proposal to purchase its shares traded on the ESM or listed on the TPEx or the TWSE in the ROC for any reason.
- 3.7** For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, the Company is authorized to purchase any share traded on the ESM or listed on the TPEx or the TWSE in the ROC in accordance with the following manner of purchase:
- (a) the total price of the shares purchased by the Company shall not exceed the sum of retained earnings minus earnings distribution resolved by the Board or the general meeting, plus the following realized capital reserve:
    - (i) the premium received from the disposal of assets that has not been booked as retained earnings;
    - (ii) the premium paid on the issuance of any share and income from endowments received by the Company provided however that

income from the shares shall not be included before such shares have been transferred to others;

- (b) the maximum number of shares purchased by the Company shall not exceed ten percent of the total number of issued and outstanding shares of the Company; and
- (c) the purchase shall be at such time, at such price and on such other terms as determined and agreed by the Board in its sole discretion provided however that:
  - (i) such purchase transactions shall be in accordance with the applicable ROC securities laws and regulations and the Applicable Public Company Rules; and
  - (ii) such purchase transactions shall be in accordance with the Law.

- 3.8** Subject to Article 3.5 and the Applicable Public Company Rules, the redemption or repurchase price may be paid in any manner permissible under the Law as determined by the Board.
- 3.9** A delay in payment of the redemption price shall not affect the redemption but, in the case of a delay of more than thirty days, interest shall be paid for the period from the due date until actual payment at a rate which the Board, after due enquiry, estimates to be representative of the rates being offered by banks holding "A" licenses (as defined in the Banks and Trust Companies Law (Revised) of the Cayman Islands) in the Cayman Islands for thirty day deposits in the same currency.
- 3.10** The Board may exercise as it thinks fit the powers conferred on the Company by Section 37(5) of the Law (payment out of capital) but only if and to the extent that the redemption could not otherwise be made (or not without making a fresh issue of shares for this purpose).
- 3.11** Subject as aforesaid, the Board may determine, as it thinks fit all questions that may arise concerning the manner in which the redemption of the shares shall or may be affected.
- 3.12** No share may be redeemed unless it is fully paid.
- 3.13** The Board may designate as Treasury Shares any of its shares that it purchases or redeems, or any shares surrendered to it, in accordance with the Applicable Law.
- 3.14** No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up of the Company) may be made to the Company in respect of a Treasury Share.
- 3.15** The Company shall be entered in the Register of Members as the holder of the Treasury Shares provided that:



- (a) the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
- (b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of the Articles or the Law.

**3.16** After the Company purchases the shares traded on the ESM or listed on the TPEx or the TWSE in the ROC, any proposal to transfer the Treasury Shares to the employees of the Company and its Subsidiaries at a price below the average actual repurchase price must be approved by Special Resolution in the next general meeting and the items required by the Applicable Public Company Rules shall be specified in the notice of the general meeting and may not be proposed as an extemporary motion. The aggregate number of Treasury Shares resolved at all general meetings and transferred to the employees of the Company and its Subsidiaries shall not exceed 5% of the total issued shares, and each employee may not subscribe for more than 0.5% of the total issued shares in aggregate. The Company may prohibit such employees from transferring such Treasury Shares within a certain period; provided, however, that such a period cannot be more than two years.

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

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

Subject to Article 2.1, the Memorandum and the Articles, other contractual obligations or restrictions that the Company is bound by and any resolution of the Members to the contrary and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares, the share capital of the Company shall be divided into shares of a single class the holders of which shall, subject to the provisions of the Articles:

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

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

**5.1** The Company may issue shares in uncertificated/scripless form or issue share



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

- 5.2 If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.
- 5.3 Share may not be issued in bearer form.
- 5.4 When the Company shall issue share certificates pursuant to Article 5.1, the Company shall deliver the share certificates to the subscribers within thirty days from the date such share certificates may be issued pursuant to the Law, the Memorandum, the Articles, and the Applicable Public Company Rules, and shall make a public announcement prior to the delivery of such share certificates pursuant to the Applicable Public Company Rules.
- 5.5 Where the Company shall issue the shares in uncertificated/scripless form, the Company shall comply with the Law and the Applicable Public Company Rules to handle relevant matters, and shall deliver the shares to the subscribers by book-entry transfer within thirty days after the Company is permitted by the Applicable Public Company Rules to issue such shares and make a public announcement prior to the delivery.

## 6. Preferred Shares

- 6.1 The Company may by Special Resolution designate one or more classes of shares with preferred or other special rights (shares with such preferred or other special rights, "**Preferred Shares**"), and may amend the Memorandum and the Articles as appropriate to reflect the designation of shares as Preferred Shares.
- 6.2 For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, the rights and obligations of Preferred Shares may include (but not limited to) the following terms and shall be consistent with the Applicable Public Company Rules:
  - (a) the order of priority and fixed amount or fixed ratio of allocation of dividends and bonus on Preferred Shares;
  - (b) the order of priority and fixed amount or fixed ratio of allocation of surplus assets of the Company;
  - (c) the order of priority for or restriction on the voting right(s) (including



declaring no voting rights whatsoever) of the Members holding the Preferred Shares;

- (d) the method by which the Company is authorized or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply; and
- (e) other matters concerning rights and obligations incidental to Preferred Shares.

## **REGISTRATION OF SHARES**

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

- (a) For so long as shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, the Board shall cause to be kept a Register of Members which may be kept outside the Cayman Islands at such place as the Board shall appoint and which shall be maintained in accordance with the Law and the Applicable Public Company Rules.
- (b) In the event that the Company has shares that are not traded on the ESM or listed on the TPEx or the TWSE in the ROC, the Company shall also cause to be kept a register of such shares in accordance with Section 40 of the Law.

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

Except as required by law:

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

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

- 9.1** Title to shares traded on the ESM or listed on the TPEx or the TWSE in the ROC may be evidenced and transferred in a manner consistent with the Applicable Public Company Rules (including through the book-entry system of the TDCC).
- 9.2** All transfers of shares which are in certificated form may be effected by an instrument of transfer in writing in any usual form or in any other form which the Board may approve and shall be executed by or on behalf of the transferor and, if the Board so requires, by or on behalf of the transferee. Without prejudice to the foregoing, any Director is delegated with the power to resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers.
- 9.3** Unless otherwise resolved by the Board, any Director may approve the transfer of shares (including without limitation, delivery of an instruction letter accompanied with the instrument of transfer to the registered office provider of the Company on behalf of the Company) and any such action taken by any such Director shall

be deemed to be valid duly authorized action of the Company in accordance with these Articles. Any Director be delegated with power and authorised to refuse to recognize any instrument of transfer in respect of shares in certificated form unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as such Director may reasonably require to show the right of the transferor to make the transfer.

- 9.4** The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.
- 9.5** Any Director may in his or her absolute discretion and without assigning any reason therefor refuse to register the transfer of a share in certificated form in the event such registration of transfer would (i) conflict with the Applicable Law; or (ii) conflict with the Memorandum and/or the Articles. If any such Director refuses to register a transfer of any share, the Secretary or any Director or officer shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

**10. Transmission of Registered Shares**

- 10.1** In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognized by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the provisions of Section 39 of the Law, for the purpose of this Article, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorized to deal with the shares of a deceased Member.
- 10.2** Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share.
- 10.3** On the presentation of the evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration or refuse registration as stipulated in Article 9.5 as it would have had in the case of a transfer of the share by that Member before such Member's death or bankruptcy, as the case may be.
- 10.4** Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint

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

**11.1** Subject to the Law, the Company may from time to time by Ordinary Resolution alter the conditions of its Memorandum to:

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

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

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

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

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

- (a) effecting any capitalization of distributable dividends and/or bonuses and/or any other amount prescribed under Article 17;
- (b) effecting any Merger (except for any Merger which falls within the definition of "merger" and/or "consolidation" under the Law, which requires the approval of the Company by Special Resolution only), Share Exchange, or Spin-off of the Company;
- (c) entering into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
- (d) the transferring of the whole or any essential part of the business or assets of the Company; or
- (e) acquiring or assuming the whole business or assets of another person, which has a material effect on the Company's operation.

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

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

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



### 13. Variation of Rights Attaching to Shares

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

## DIVIDENDS AND CAPITALISATION

### 14. Dividends

- 14.1** The Board may declare a dividend to be paid to the Members in proportion to the number of shares held by them, and such dividend may be paid in cash or shares.
- 14.2** Subject to the Applicable Law, no dividends or other distribution shall be paid except out of profits of the Company, realized or unrealized, out of share premium account or any reserve, fund or account as otherwise permitted by the Law. Except as otherwise provided by the rights attached to any shares, all dividends and other distributions shall be paid according to the number of the shares that a Member holds. If any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividends accordingly.
- 14.3** With respect to the dividend to be distributed at the end of each financial year, subject to the Law and this Article and except as otherwise provided by the rights attached to any shares, the Company may distribute profits after each financial year in accordance with a proposal for profit distribution approved by, in the case of dividend to be paid in cash, a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors and then reported to the Members in the next annual general meeting or, in the case of Article 12.3(a) or 12.5 (in the case of an issuance of new shares as bonus shares), a majority of the Directors at a meeting attended by a majority or more of the total number of the Directors and Supermajority Resolution in the general meeting.
- 14.4** For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, unless otherwise provided in the Law, the Applicable Public Company Rules or the Articles, upon the final settlement of the Company's accounts, if there is "surplus profit" (as defined below), the Company shall set aside no less than one percent as compensation to employees ("Employees")



**Compensations")** and Employees' Compensations may be distributed to employees of the Company and its Subsidiaries, who meet certain qualifications determined by the Board. The Company shall, from the surplus profit, set aside no more than three percent as remuneration for the Directors (excluding the Independent Directors) ("**Directors' Remuneration**"). The distribution proposals in respect of Employees' Compensation and Directors' Remuneration shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors and submitted to the shareholders' meeting for report. However, if the Company has accumulated losses, the Company shall reserve an amount thereof for making up the losses before proceeding with the abovementioned distributions and allocation. The "surplus profit" referred to above means the net profit before tax and for the avoidance of doubt, such amount is before any payment of compensation to employees and remuneration for the Directors.

**14.5** In determining the Company's dividend policy, the Board recognizes that the Company is in the growth stage. In determining the amount, if any, of the dividend or other distribution it recommends to Members for approval in any financial year, the Board:

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

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

**14.7** Dividends to the Members and the Employees' Compensation may be distributed

in the discretion of the Board, by way of cash or by way of applying such sum in paying up in full unissued shares or a combination of both for allocation and distribution to employees or the Members, provided that, in the case of a distribution to Members, no less than ten percent of the total amount of such dividend shall be paid in cash.

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

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

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

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

**15.1** The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such sum as it thinks proper as a reserve to be used to meet contingencies or for meeting the deficiencies for implementing dividend distribution plans or for any other purpose to which those funds may be properly applied. Pending application, such sums may be in the absolute discretion of the Board either be employed in the business of the Company or invested in such investment as the Board may from time to time think fit, and need not be kept separate from other assets of the Company. The Board may also, without placing the same to reserve, carry forward any profit which it decides not to distribute.

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

## **16. Method of Payment**

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

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



give an effectual receipt for any dividend paid in respect of such shares.

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

**17. Capitalization**

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

**MEETINGS OF MEMBERS**

**18. Annual General Meetings**

- 18.1** The Company shall hold a general meeting as its annual general meeting within six months following the end of each fiscal year, which shall be called by the Board.
- 18.2** Subject to Article 18.1, the annual general meeting of the Company may be held at such time and place as the Board shall determine. For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, unless otherwise provided by the Law, the Company's physical annual general meetings shall be held in the ROC. If the Board resolves to hold a physical annual general meeting outside the ROC, the Company shall apply for the approval of the TWSE/TPEx within two days after the Board adopts such resolution. Where an annual general meeting is to be held outside the ROC, the Company shall engage a professional stock affairs agent in the ROC to handle the administration of such general meeting (including but not limited to the handling of the voting of proxies submitted by Members).
- 18.3** The general meeting may be held by Virtual Meeting or any other means announced by the competent authority of the Company Act of the ROC. So long as the shares are traded on the ESM or listed on the TPEx or the TWSE in Taiwan, the conditions, operation procedures and other matters of the general meeting held by Virtual Meeting shall be in compliance with the Applicable Public Company Rules.
- 18.4** In case where any general meeting is held at which Communication Facilities are permitted in accordance with these Articles, including any Virtual Meeting, any Member who attend and participate by means of such Communication Facilities in such a meeting shall be deemed to have attended and constitute presence in person.

**19. Extraordinary General Meetings**



- 19.1 General meetings other than annual general meetings shall be called extraordinary general meetings.
- 19.2 The Board may convene an extraordinary general meeting of the Company whenever in their judgment such a meeting is necessary or is desirable. Article 18.2 shall apply to extraordinary general meetings.
- 19.3 For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, the Board shall on a Member's requisition as defined in Article 19.4 forthwith proceed to convene an extraordinary general meeting of the Company.
- 19.4 A Member's requisition set forth in Article 19.3 is a requisition of one or more Members of the Company holding in the aggregate at the date of deposit of the requisition not less than three percent of the total number of issued shares of the Company which as at that date have been held by such Member(s) for at least one year.
- 19.5 The Member's requisition must state in writing the matters to be discussed at the extraordinary general meeting and the reason therefor.
- 19.6 If the Board does not within fifteen days from the date of the deposit of the Member's requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting in the same manner, as nearly as possible, as that in which general meetings may be convened by the Board. If it is proposed that the extraordinary general meeting be held outside the ROC, an application shall be submitted by such requisitionists to the TWSE/TPEx for its prior approval.
- 19.7 For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, any one or more Member(s) may summon an extraordinary general meeting, provided that such Member or Members shall hold more than fifty percent of the total issued Shares of the Company for a continuous period of no less than three months. The number of the Shares held by a Member and the period during which a Member holds such Shares, shall be calculated and determined based on the Register of Members as of the first day of the Book Closure Period. The Book Closure Period has the meaning as defined in Article 20.3.

## 20. Notice

- 20.1 Before the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, at least five days' notice of a general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of business to be conducted at the meeting.
- 20.2 For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, at least thirty days' notice of an annual general meeting, and at least fifteen days' notice of an extraordinary general meeting shall be given to each



Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of the business to be considered at the meeting. The notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior written consent from the recipient(s) thereof.

- 20.3** For so long as the shares are traded on the ESM or listed on the TPEX or the TWSE in the ROC, the Board shall fix a record date for determining the Members entitled to receive notice of and to vote at any general meeting of the Company in accordance with Applicable Public Company Rules and close its Register of Members accordingly in accordance with Applicable Public Company Rules. The Board shall fix the period that the Register of Members shall be closed for transfers (the "**Book Closure Period**").
- 20.4** Subject to Article 23.4, the accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- 20.5** For so long as the shares are traded on the ESM or listed on the TPEX or the TWSE in the ROC, the Company shall announce to the public the notice of a general meeting, the proxy instrument, agendas and materials relating to the matters to be reported and discussed in the general meetings, including but not limited to, election or discharge of Directors, in accordance with Article 20.2, and shall transmit the same via the Market Observation Post System in accordance with Applicable Public Company Rules. If the voting power of a Member at a general meeting shall be exercised by way of a written ballot, the Company shall also send the written document for the Member to exercise his voting power together with the above mentioned materials in accordance with Article 20.2. The Board shall prepare a meeting handbook of the relevant general meeting and supplemental materials, which will be made available to all Members and shall be transmitted to the Market Observation Post System in accordance with the Applicable Public Company Rules. If the Company's total paid-in capital exceeds NT\$2 billion at the most recent financial year end date, or if the shareholding of foreign and PRC investors reaches more than thirty percent of the total number of issued shares as recorded in the Register of Members as of the date of the general meeting held in the most recent financial year, the foregoing transmission of information and materials via or to the Market Observation Post System shall be completed at least thirty days for an annual general meeting.
- 20.6** For so long as the shares are traded on the ESM or listed on the TPEX or the TWSE in the ROC, the following matters shall be stated in the notice of a general meeting, with a summary of the major content to be discussed, and shall not be proposed as an extemporary motion:
- (a) election or discharge of Directors,
  - (b) alteration of the Memorandum or the Articles,



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

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

- 20.7** For so long as the shares are traded on the ESM or listed on the TPEX or the TWSE in the ROC, the Board shall keep the Memorandum and the Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the Registered Office (if applicable) and the Company's stock affairs agent located in the ROC. Members may request, from time to time, by submitting document(s) evidencing his interests involved and indicating the designated scope of the inspection, access to inspect, review or make copies of the foregoing documents. If the relevant documents are kept by the Company's stock affairs agent, upon the request of any Member, the Company shall order the Company's stock affairs agent to provide such Member with the requested documents.
- 20.8** For so long as the shares are traded on the ESM or listed on the TPEX or the TWSE in the ROC, the Company shall make available all the statements and records prepared by the Board and the report prepared by the Audit Committee which will be submitted to the Members at the annual general meeting at the Registered Office (if applicable) and its stock affairs agent located in the ROC ten days prior to such annual general meeting in accordance with Applicable Public Company Rules. Members may inspect and review the foregoing documents from time to

time and may be accompanied by their lawyers or certified public accountants for the purpose of such inspection and review.

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

## **21. Giving Notice**

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

- 21.2** Any Notice or other document shall be deemed to be effective when it is sent in accordance with Articles 20 and 21 of the Articles.

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

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

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

The Board may postpone any general meeting called in accordance with the provisions of the Articles provided that notice of postponement is given to each Member before the time for such meeting. A notice stating the date, time and place for the postponed meeting shall be given to each Member in accordance with the provisions of the Articles provided that in the event that the Members resolve to postpone the general meeting to a specified date which is not more than five days, Articles 20.1, 20.2, 20.3, 20.4, 20.5 and 21 do not apply and notice of the adjournment shall not be required.

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

- 23.1** No resolutions shall be adopted unless a quorum is present. Unless otherwise provided for in the Articles, Members present in person or by proxy or in the case of a corporate Member, by corporate representative, representing more than one-half of the total issued shares of the Company entitled to vote, shall constitute a quorum for any general meeting.

- 23.2** For so long as the shares are traded on the ESM or listed on the TPEX or the TWSE in the ROC, the Board shall submit business reports, financial statements and



proposals for distribution of profits or allocation of losses prepared by it for the purposes of annual general meetings of the Company for ratification by the Members in a manner consistent with the Applicable Public Company Rules. After ratification by the Members at the general meeting, the Board shall distribute copies of or announce to the public the ratified financial statements and the Company's resolutions on distribution of profits or allocation of losses, to each Member or otherwise make the same available to the Members in accordance with the Applicable Public Company Rules.

- 23.3** Unless otherwise provided in the Articles, a resolution put to the vote of the meeting shall be decided on a poll.
- 23.4** For so long as the shares are traded on the ESM or listed on the TPEX or the TWSE in the ROC, if and to the extent permitted under the Law, nothing in the Articles shall prevent any Member from initiating proceedings in a court of competent jurisdiction for an appropriate remedy in connection with the convening of any general meeting or the passage of any resolution in violation of applicable laws or regulations or the Articles, including but not limited to filing a lawsuit for revocation of the resolutions of the general meeting within thirty days after passing of such resolution. The Taiwan Taipei District Court may be the court of the first instance for adjudicating any disputes arising out of the foregoing.
- 23.5** Unless otherwise expressly required by the Law, the Memorandum or the Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Members at any general meeting may be passed by an Ordinary Resolution.
- 23.6** For so long as the shares are traded on the ESM or listed on the TPEX or the TWSE in the ROC, Member(s) holding one percent or more of the Company's total issued shares immediately prior to the relevant Book Closure Period, during which the Company closed its Register of Members, may propose to the Company in writing or any electronic means designated by the Company one matter for discussion at an annual general meeting. The Company shall give a public notice in such manner and at such time as permitted by Applicable Law specifying the place and a period of not less than ten days for Members to submit proposals. The Board shall include the proposal in the agenda of the annual general meeting unless (a) the proposing Member(s) holds less than one percent of the Company's total issued shares, (b) the matter of such proposal may not be resolved by a general meeting or the proposal exceeds 300 Chinese words; (c) the proposing Member(s) has proposed more than one proposal; or (d) the proposal is submitted to the Company outside the period fixed and announced by the Company for accepting Member(s)' proposal(s). If the purpose of the proposal is to urge the Company to promote public interests or fulfil its social responsibilities, the Board may accept such proposal to be discussed in general meeting.
- 23.7** The rules and procedures of general meetings shall be established by the Board



and approved by an Ordinary Resolution, and such rules and procedures shall be in accordance with the Law, the Articles and the Applicable Public Company Rules.

**24. Chairman to Preside**

- 24.1** In the event that the general meeting is convened by the Board, the Chairman shall act as chairman at all meetings of the Members at which such person is present. In his absence the Directors who are present at the general meeting shall elect one from among themselves to act as the chairman at such meeting in lieu of the Chairman.
- 24.2** For so long as the shares are traded on the ESM or listed on the TPEX or the TWSE in the ROC, the chairman at all meetings of the Members shall be appointed or elected in accordance with the Applicable Public Company Rules.

**25. Voting on Resolutions**

- 25.1** Subject to any rights, privileges or restrictions attached to any share, every Member who (being an individual) is present in person or by proxy or (in the case of a corporation or other non-natural person) by duly authorized corporate representative(s) or by proxy shall have one vote for every share of which he is the holder. A Member who holds shares for benefit of others, need not use all his votes or cast all the votes he holds in the same way as he uses his votes in respect of shares he holds for himself. The qualifications, scope, methods of exercise, operating procedures and other matters with respect to exercising voting power separately shall comply with the Applicable Public Company Rules.
- 25.2** No person shall be entitled to vote at any general meeting or at any separate meeting of the holders of a class of shares unless he is registered as a Member on the record date for such meeting nor unless he has paid all the calls on all shares held by such Member.
- 25.3** Votes may be cast either in person or by proxy. A Member may appoint another person as his proxy by specifying the scope of appointment in the proxy instrument prepared by the Company to attend and vote at a general meeting, provided that a Member may appoint only one proxy under one instrument to attend and vote at such meeting.
- 25.4** Subject to the Law, for so long as the shares are traded on the ESM or listed on the TPEX or the TWSE in the ROC, the Company shall provide the Members with a method for exercising their voting power by way of electronic transmission. The method for exercising such voting power shall be described in the general meeting notice to be given to the Members if the voting power may be exercised by way of a written ballot or electronic transmission. Any Member who intends to exercise his voting power by way of a written ballot or by way of electronic transmission shall serve the Company with his voting decision at least two days prior to the date of such general meeting. Where more than one voting decision



are received from the same Member by the Company, the first voting decision shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous voting decision in the later-received voting decision. A Member who exercises his voting power at a general meeting by way of a written ballot or by electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to vote his shares at the general meeting only in the manner directed by his written instrument or electronic document. The chairman of the general meeting as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electronic document and/or any amendment to resolution(s) proposed at the said general meeting. For the purpose of clarification, such Members voting in such manner shall be deemed to have waived their voting rights with respect to any extemporary matters or amendment to resolution(s) proposed at the general meeting.

- 25.5** In the event any Member who intended to exercise his voting power by way of a written ballot or electronic transmission and has served his voting decision on the Company pursuant to Article 25.4 later intends to attend the general meetings in person, he shall, at least two days prior to the date of such general meeting, serve the Company with a separate notice revoking his previous voting decision. Such separate notice shall be sent to the Company in the same manner (e.g., by courier, registered mail or electronic transmission, as applicable) as the previous voting decision under Article 25.4 was given to the Company. Votes by way of a written ballot or electronic transmission shall remain valid if the relevant Member fails to revoke his voting decision before the prescribed time.
- 25.6** A Member who has served the Company with his voting decision in accordance with Article 25.4 for the purpose of exercising his voting power by way of a written ballot or by way of electronic transmission may appoint a person as his proxy to attend the meeting in accordance with the Articles, in which case the vote cast by such proxy shall be deemed to have revoked his previous voting decision served on the Company and the Company shall only count the vote(s) cast by such expressly appointed proxy at the meeting.

## **26. Proxies**

- 26.1** The instrument of proxy shall be in the form approved by the Board from time to time and be expressed to be for a particular meeting only. The form of proxy shall include at least the following information: (a) instructions on how to complete such proxy, (b) the matters to be voted upon pursuant to such proxy, and (c) basic identification information relating to the relevant Member, proxy and the solicitor (if any). The form of proxy shall be provided to the Members together with the relevant notice for the relevant general meeting, and such notice and proxy materials shall be distributed to all Members on the same day.
- 26.2** An instrument of proxy shall be in writing, be executed under the hand of the



appointor in writing, or, if the appointor is a corporation or other non-natural person, under the hand of an officer or attorney who is duly authorized for that purpose. A proxy need not be a Member of the Company.

**26.3** For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, subject to the Applicable Public Company Rules, except for an ROC trust enterprise or stock affair agents approved pursuant to Applicable Public Company Rules, save with respect to the Chairman being deemed appointed as proxy under Article 25.4, in the event a person acts as the proxy for two or more Members, the total number of issued and voting shares entitled to be voted as represented by such proxy shall be no more than three percent of the total number of issued and voting shares of the Company immediately prior to the relevant Book Closure Period, during which the Company close its Register of Member; any vote in respect of the portion in excess of such three percent threshold shall not be counted.

**26.4** In the event that a Member exercises his voting power by way of a written ballot or electronic transmission and has also authorized a proxy to attend a general meeting, then the voting power exercised by the proxy at the general meeting shall prevail. In the event that any Member who has authorized a proxy to attend a general meeting later intends to attend the general meeting in person or to exercise his voting power by way of a written ballot or electronic transmission, he shall, at least two days prior to the date of such general meeting, serve the Company with a separate notice revoking his previous appointment of the proxy. Votes by way of proxy shall remain valid if the relevant Member fails to revoke his appointment of such proxy before the prescribed time.

**26.5** The instrument of proxy shall be deposited at the Registered Office or the office of the Company's stock affairs agent in the ROC or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company not less than five days before the time for holding the meeting or adjourned meeting at which a person named in the instrument proposes to vote, save with respect to the Chairman being deemed appointed as proxy under Article 25.4. Where more than one instrument to vote are received from the same Member by the Company, the first instrument received shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous proxy in the later-received instrument.

## **27. Proxy Solicitation**

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

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

**28.1** Subject to compliance with the Law, in the event any of the following resolutions



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

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

Shares which have been abstained from voting in accordance with this Article 28.1 shall not be counted in determining the number of votes of the Members being cast at a general meeting but shall be counted towards the quorum of the general meeting.

- 28.2** Without prejudice to the Law, any Member exercising his rights in accordance with Article 28.1 (the "**Dissenting Member**") shall, within twenty days from the date of the resolution passed at the general meeting, give his written notice of objection to the Company stating the repurchase price proposed by him. If the Company and the Dissenting Member agree on a price at which the Company will purchase the Dissenting Member's shares, the Company shall make the payment within ninety days from the date of the resolution passed at the general meeting. If, within ninety days from the date of the resolution passed at the general meeting, the Company and the Dissenting Member fail to agree on a price at which the Company will purchase the Dissenting Member's shares, the Company shall pay the fair price it deems fit to the Dissenting Member within ninety days from the date of the resolution passed at the general meeting. If the Company fails to pay the fair price it deems fit to the Dissenting Member within the ninety-day period, the Company shall be deemed to have agreed on the repurchase price proposed by such Dissenting Member.
- 28.3** Without prejudice to the Law, if, within sixty days from the date of the resolution passed at the general meeting, the Company and the Dissenting Member fail to agree on a price at which the Company will purchase such Dissenting Member's shares, then, within thirty days immediately following the date of the expiry of such sixty-day period, the Company shall file a petition with the court against all the Dissenting Members for a determination of the fair price of the Shares held by all the Dissenting Members. The Taiwan Taipei District Court may be the court



of the first instance for this matter.

- 28.4** Notwithstanding the above provisions under this Article 28, nothing under this Article shall restrict or prohibit a Member from exercising his right under section 238 of the Law to claim for the payment of the fair value of his shares upon dissenting from a merger or consolidation.

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

**29.1** Shares held:

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

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

- 29.2** A Member who has a personal interest in any motion discussed at a general meeting, which interest may be in conflict with and impair those of the Company, shall abstain from voting such Member's shares in regard to such motion and such shares shall not be counted in determining the number of votes of the Members present at the said meeting. However, such shares may be counted in determining the number of shares of the Members present at such general meeting for the purposes of determining the quorum. The aforementioned Member shall also not vote on behalf of any other Member.

- 29.3** For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, if the number of shares pledged by a Director at any time amounts to more than fifty percent of the total shares held by such Director at the time of his latest appointment, such pledged shares exceeding fifty percent of the total shares held by such Director at the time of his latest appointment, up to fifty percent of the total number of shares held by the Director at the time of his latest appointment, shall not carry any voting rights and such above-threshold shares shall not be counted in determining the number of votes of the Members present at a general meeting.

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

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



### 31. Representation of Corporate Member

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

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

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

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

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- 34.2** For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, unless otherwise approved by the ROC competent authority, the number of Directors having a spousal relationship or Familial Relationship within Second Degree of Kinship with any other Directors shall be less than half of the total number of Directors.
- 34.3** In the event that the Company convenes a general meeting for the election of Directors and any of the Directors elected does not meet the requirements provided in Article 34.2, the non-qualifying Director(s) who was elected with the fewest number of votes shall be deemed not to have been elected, to the extent necessary to meet the requirements provided for in Article 34.2. Any person who has already served as a Director but is in violation of the aforementioned requirements shall be automatically discharged from his office effective from such violation without any action required on behalf of the Company.
- 34.4** For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three Independent Directors accounting for not less than one-fifth of the total number of Directors. To the extent required by the Applicable Public Company Rules, at least two of the Independent Directors shall be domiciled in the ROC and at least one of them shall have accounting or financial expertise. Before the shares are listed on the TPEx or the TWSE in the ROC, the Board may resolve that the Company shall hold an election of Independent Director(s) at the general meeting.
- 34.5** For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, the Directors (including Independent Directors and Directors other than Independent Directors) shall be nominated by adopting the candidate nomination system specified in the Applicable Public Company Rules.
- 34.6** Independent Directors shall have professional knowledge and shall maintain independence within the scope of their directorial duties, and shall not have any direct or indirect interests in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions, and assessment of independence with respect to Independent Directors shall be consistent with the Applicable Public Company Rules.

### **35. Election of Directors**

- 35.1** The Company may at a general meeting elect any person to be a Director, which vote shall be calculated in accordance with Article 35.2. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to elect one or more Directors.
- 35.2** The Director(s) shall be elected by Members upon a poll vote by way of cumulative voting (the manner of voting described in this Article to be referred to as "**Cumulative Voting**") in the following manner:



- (a) on an election of Directors, the numbers of votes attached to each voting share held by a Member shall be cumulative and correspond to the number of Directors (including the Independent Directors and non-independent Directors) nominated for appointment at the general meeting;
  - (b) the Member(s) may vote all or part of their cumulated votes in respect of one or more Director or non-independent Director candidates;
  - (c) such number of Director candidates receiving the highest number of votes in the same category (namely, independent or non-independent) of Directors to be elected shall be appointed; and
  - (d) where two or more Director candidates in the same category receive the same number of votes and as a result the total number of new Directors in such category intended to be appointed is exceeded, there shall be a draw by such Director candidates receiving the same number of votes to determine who shall be appointed; the chairman of the meeting shall draw for a Director nominated for appointment who is not present at the general meeting.
- 35.3** For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, if the number of Independent Directors is less than three persons due to the resignation or removal of such Independent Directors for any reason, the Company shall hold an election of Independent Directors at the next following general meeting. If all of the Independent Directors are resigned or removed, the Board shall hold, within sixty days from the date of resignation or removal of last Independent Director, a general meeting to elect succeeding Independent Directors to fill the vacancies.
- 35.4** For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, if the number of Directors is less than five persons due to the vacancy of Director(s) for any reason, the Company shall call an election of Director(s) at the next following general meeting to fill the vacancies. When the number of vacancies in the Board of the Company equals to one third of the total number of Directors elected, the Board shall hold, within sixty days from the date of the occurrence of vacancies, a general meeting to elect succeeding Directors to fill the vacancies.
- 35.5** Where a government agency or corporation (or other legal entity) is a Member, and such government agency or corporation (or other legal entity) has been elected as a Director, it shall appoint an individual as its duly authorized representative to exercise the power and duties of a Director. Such representative may be replaced at any time and from time to time by the said government agency or corporation (or other legal entity) at its sole discretion.
- 35.6** Notwithstanding anything to the contrary, where a government agency or corporation (or other legal entity) is a Member, such government agency or corporation (or other legal entity) (each of which being referred to in these

Articles as an "Appointer") is entitled to appoint one or more individual representatives to be elected as Directors (for the purpose of these Articles, the "Appointee Directors") in accordance with this Article 35.

The Appointer may, by prior written notice to the Company, remove the Appointee Directors nominated by it and appoint another individual as an Appointee Director for the remaining term of office. The provisions of the preceding sentence in the second section of Article 35.6 will not apply if the Appointee Director is removed by a Supermajority Resolution pursuant to Article 36.1.

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

**36.1** The Company may from time to time by Supermajority Resolution remove any Director from office, whether or not appointing another in his stead. Where re-election of all Directors is effected prior to the expiration of the term of office of existing Directors, the term of office of all current Directors is deemed to have expired on the date of the re-election or any other date as otherwise resolved by the Members at the general meeting if the Members do not resolve that all current Directors will only retire at the expiration of their present term of office. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to re-elect all Directors. If the term of office of all Directors expires at the same time and no general meeting was held before such expiry for re-election, their term of office shall continue and be extended to such time when new Directors are elected or re-elected in the next general meeting and they commence their office.

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

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

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

- (a) if the Director is removed from office pursuant to Article 36.1;
- (b) if the Director dies;
- (c) if the Director is automatically discharged from his office in accordance with Article 34.3;
- (d) if the Director resigns his office by notice in writing to the Company;



- (e) if the Director is the subject of a court order for his removal in accordance with Article 36.2; or
- (f) with immediate effect without any action required on behalf of the Company if
  - (i) the Director has been adjudicated bankrupt or the court has declared a liquidation process in connection with the Director, and such Director has not been reinstated to his rights and privileges;
  - (ii) an order is made by any competent court or official on the grounds that the Director has no legal capacity, or his legal capacity is restricted according to Applicable Law;
  - (iii) the Director has been adjudicated of the commencement of assistantship (as defined under the Taiwan Civil Code) or similar declaration and such assistantship/declaration has not been revoked yet;
  - (iv) the Director has committed an offence as specified in the ROC Statute for Prevention of Organizational Crimes and subsequently has been adjudicated guilty by a final judgment, and (A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than five years, or (D) was pardoned for less than five years;
  - (v) the Director has committed an offence in terms of fraud, breach of trust or misappropriation and subsequently has been punished with imprisonment for a term of more than one year by a final judgement, and (A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than two years, or (D) was pardoned for less than two years;
  - (vi) the Director has been adjudicated guilty by a final judgment for committing offenses under the Taiwan Anti-Corruption Act, and (A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than two years, or (D) was pardoned for less than two years; or
  - (vii) the Director has been dishonored for use of credit instruments, and the term of such sanction has not expired yet.

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

**37.2** For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE

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

- 37.3 For so long as the shares are traded on the ESM or listed on the TPEX or the TWSE in the ROC, the election of a newly elected Director (other than an Independent Director) shall be forthwith invalidated if said Director, before assuming office, transferred more than one half of the shares being held by him at the time of his election as a Director, or if said Director, during the Book Closure Period prior to a general meeting, has transferred more than one half of the shares being held by him.

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

- 38.1 For so long as the shares are traded on the ESM or listed on the TPEX or the TWSE in the ROC, the Board shall, in accordance with the Applicable Public Company Rules, establish a Compensation Committee comprised of at least three members, one of whom shall be an Independent Director. The professional qualifications of the members of the Compensation Committee, the responsibilities, powers and other related matters of the Compensation Committee shall comply with the Applicable Public Company Rules. Upon the establishment of the Compensation Committee, the Board shall, by a resolution, adopt a charter for the Compensation Committee the provisions of which shall be consistent with the Applicable Public Company Rules. Before the shares are traded on the ESM or listed on the TPEX or the TWSE in the ROC, the Board may resolve to establish a Compensation Committee.
- 38.2 The compensation referred in the preceding Article shall include the compensation, stock option and other incentive payments of Directors and managers of the Company.
- 38.3 The compensation of the Directors may be decided by the Board by reference to recommendation made by the Compensation Committee (if established), the standard generally adopted by other enterprises in the same industry, and shall be paid in cash only. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally. A Director is also entitled to distribution of profits of the Company if permitted by the Law, the Applicable Public Company Rules, the service agreement or other similar contract that he has entered into with the Company.

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

Subject to Article 23.4 and the Applicable Law, all acts done in good faith by the Board



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

**40. Directors to Manage Business**

The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Law or by the Articles, required to be exercised by the Company in general meeting subject, nevertheless, to the Articles, the provisions of the Law, and to such directions as may be prescribed by the Company in general meeting.

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

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

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



one or more persons appointed by the Board and every such committee shall conform to such directions as the Board shall impose on them. Subject to any directions or regulations made by the Directors for this purpose, the meetings and proceedings of any such committee shall be governed by the provisions of the Articles regulating the meetings and proceedings of the Board;

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

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

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

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

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

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

cause to be entered on the Register of Directors and Officers the particulars of such change and the date on which such change occurred, and shall notify the Registrar of Companies in accordance with the Law.

#### **43. Officers**

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

#### **44. Appointment of Officers**

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

#### **45. Duties of Officers**

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



**46. Compensation of Officers**

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

**47. Conflicts of Interest**

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

**47.2** Notwithstanding anything to the contrary contained in this Article 47, a Director who is directly or indirectly interested in any matter under discussion at a meeting of the Directors or a contract or proposed contract or arrangement with the Company shall declare the nature and the essential contents of such interest at the relevant meeting of the Directors as required by the Applicable Law. If the Company proposes to enter into any transaction specified in Article 28.1 or effect other forms of mergers and acquisitions in accordance with Applicable Law, a Director who has a personal interest in such transaction shall declare the essential contents of such personal interest and the reason why he believes that the transaction is advisable or not advisable at the relevant meeting of the Directors and the general meeting as required by the Applicable Law. The Company shall, in the notice of a general meeting, disclose the essential contents of such Director's personal interest and the reasons why such Director believes that the transaction is advisable or not advisable. The essential contents and the reasons can be announced at the website designated by Taiwan securities authority or by the Company, and the Company shall specify the link to the website in the notice of the relevant general meeting. Where the spouse, the person related to a Director by blood and within the second degree, or any company which has a controlling or controlled relation with a Director has interests in the matters under discussion in the meeting of the Directors, such Director shall be deemed to have a personal interest in the matter. The terms "controlling" and "controlled" shall be interpreted in accordance with the Applicable Public Company Rules.

**47.3** Notwithstanding anything to the contrary contained in this Article 47, a Director who has a personal interest in the matter under discussion at a meeting of the Directors, which may conflict with and impair the interest of the Company, shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the Board meeting.

**47.4** Notwithstanding anything to the contrary contained in this Article 47, a Director who is engaged in anything on his own account or on behalf of another person, which is within the scope of the Company's business, shall explain to the Members



in a general meeting the essential contents of such conduct and seek their approval by Supermajority Resolution.

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

- 48.1** The Directors and Officers of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and every former director, officer or trustee and their respective heirs, executors, administrators, and personal representatives (each of which persons being referred to in this Article as an "indemnified party") shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud, dishonesty or breach of duties provided under Article 48.4 which may attach to any of the said persons.
- 48.2** The Company may purchase and maintain insurance for the benefit of any Director or Officer of the Company against any liability incurred by him in his capacity as a Director or Officer of the Company or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any Subsidiary thereof.
- 48.3** To the extent permitted under the laws of the Cayman Islands, Members continuously holding one percent or more of the total issued shares of the Company for six months or longer may request in writing the Audit Committee to resolve any Independent Director or Independent Directors, acting singly or collectively, to file a petition with the Taiwan Taipei District Court for and on behalf of the Company against any of the Directors. If within thirty days after the written request by the Member(s), the Audit Committee fails to make the resolution, or after the relevant resolution was passed by the Audit Committee, the relevant Independent Director(s) fail(s) to file such petition, such Member(s) may, to the extent permitted under the laws of the Cayman Islands, file a petition with the Taiwan Taipei District Court for and on behalf of the Company against the relevant Directors.



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

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

##### **49. Board Meetings**

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





## **CORPORATE RECORDS**

### **56. Minutes**

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

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

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

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

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

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

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

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

**58.3** The Company may have one or more duplicate Seals, as permitted by the Law; and, if the Board thinks fit, a duplicate Seal may bear on its face of the name of the country, territory, district or place where it is to be issued.

## **TENDER OFFER AND ACCOUNTS**

### **59. Tender Offer**

For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, any public announcement in connection with any tender offer of the Company's shares shall be in compliance with the Applicable Public Company Rules, including but not limited to "Regulations Governing Public Tender Offers for Securities of Public Companies."



## **60. Books of Account**

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

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

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

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

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

## **61. Financial Year End**

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

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

## **AUDIT COMMITTEE**

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

For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, the Board shall set up an Audit Committee. The Audit Committee shall comprise solely of Independent Directors and all Independent Directors shall be members of the Audit Committee. The number of Audit Committee members shall not be less than three. One of the Audit Committee members shall be appointed as the convener to convene meetings of the Audit Committee from time to time and at least one of the Audit Committee members shall have accounting or financial expertise. A valid resolution of the Audit Committee requires approval of one-half or more of all its members. Before the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, the Board may resolve to establish an Audit Committee.

### **63. Powers of Audit Committee**



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

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

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

**63.2** Subject to the Applicable Law and to the extent permitted under the laws of the Cayman Islands, the Independent Directors of the Audit Committee shall supervise the execution of business operations of the Company, and may at any time or from time to time investigate the business and financial conditions of the Company, examine, transcribe or make copies of the accounting books and documents, and request the Board or Officers to report on matters referred to above. Subject to the Applicable Law and to the extent permitted under the laws of the Cayman Islands, the Audit Committee or any Independent Director thereof when exercising their duties according to this Article may appoint on behalf of the Company, a practicing lawyer and independent auditors to conduct the examination.





## LITIGIOUS AND NON-LITIGIOUS AGENT

### 66. Appointment of Litigious and Non-Litigious Agent

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

## OTHERS

### 67. Shareholder Protection Mechanism

If the Company proposes to undertake:

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

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

### 68. ROC Securities Laws and Regulations

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

### 69. Corporate Social Responsibilities

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

