

Stock code: 8427

Keysheen (Cayman) Holdings Co., Limited

2021 Annual General Shareholders' Meeting

## **Meeting Handbook**

Meeting time: 9 a.m., June 29, 2021 (Tuesday)

Meeting location: 2F, No. 213, Peishin Road Sec. 3, Shinden District, New Taipei City,  
Taiwan (Taipei Silicon Valley II International Convention Center- 2D)

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# **Chapter 1. Procedure for 2021 Annual General Meeting of Keysheen (Cayman) Holdings Co., Limited**

- I. Call Meeting to Order
- II. Chairman's Address
- III. Report Items
- IV. Ratification Items
- V. Discussion Items
- VI. Extempore Motions
- VII. Adjournment

## **Chapter 2. Meeting Agenda of 2021 Annual General Meeting of Keysheen (Cayman) Holdings Co., Limited**

Time: 9 a.m., June 29, 2021 (Tuesday)

Location: 2F, No. 213, Peishin Road Sec. 3, Shinden District, New Taipei City, Taiwan (Taipei Silicon Valley II International Convention Center- 2D)

Meeting Procedures:

- I. Call Meeting to Order (report the total number of shares attended)
- II. Chairman's Address
- III. Report Items
  - (I) 2020 Business Report
  - (II) 2020 Audit Committee's Audit Report
- IV. Ratification Items
  - (I) Adoption of 2020 Business Report and Consolidated Financial Statements
  - (II) Adoption of 2020 Deficit Compensation
- V. Discussion Items
  - (I) Proposal of Amendments to the Procedures for Election of Directors
  - (II) Proposal of Amendments to the Rules and Procedures of Shareholders' Meetings
- VI. Extempore Motions
- VII. Adjournment

### **Chapter 3. Report Items**

Proposal 1:

Motion: 2020 Business Report.

Description:

- (I) The 2020 Business Report and related document are attached as hereto, please refer to #page 7-10 & 12-20#.

Proposal 2:

Motion: 2020 Audit Committee's Audit Report.

Description:

- (I) For the Audit Committee's Audit Report, please refer to #page 11#.

## **Chapter 4. Ratification Items**

Proposal 1 (Proposed by the Board of Directors)

Motion: Adoption of 2020 Business Report and Consolidated Financial Statements

Description:

- (I) The Company's 2020 Consolidated Financial Statements were audited by independent auditors, Lu I-Chen and Lin Yi-Hui of Deloitte & Touche. The aforementioned Business Report and Financial Statements were approved by the Board of Directors of the Company and reviewed by the Audit Committee. Please refer to #page 7-10 & 12-20#.
- (II) Please acknowledge.

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Motion: Adoption of 2020 Deficit Compensation

Description:

- (I) The Company's undistributed profits at the beginning of the year 2020 were NT\$540,281,593, the net loss after tax for the period was NT\$120,190,924, the special surplus reserve attributable to equity reduction was NT\$41,788,324, and the undistributed profits at the end of the period were NT\$461,878,993.
- (II) For the Company's 2020 Deficit Compensation, please refer to #page 21.
- (III) Please acknowledge.

Resolution:

## **Chapter 5. Discussion Items**

Proposal 1 (Proposed by the Board of Directors)

Motion: Proposal of Amendments to the Procedures for Election of Directors

Description:

- (I) In accordance with the Taiwan Stock Exchange Letter Tai-Zheng-Zhi-Li No. 10900094681 dated June 3, 2020, amendments to the Company's Procedures for Election of Directors are made.
- (II) For the Comparison Table for Amendments to the Procedures for Election of Directors, please refer to #page 22-25#.

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Motion: Proposal of Amendments to the Rules and Procedures of Shareholders' Meetings

Description:

- (I) In accordance with the Taiwan Stock Exchange Letter Tai-Zheng-Zhi-Li No. 11000014461 dated January 28, 2021, amendments to the Company's Rules of Procedure for Shareholders' Meetings are made.
- (II) For the Comparison Table for Amendments to the Rules and Procedures of Shareholders' Meetings, please refer to #page 26-30#.

Resolution:

**Chapter 6. Extempore Motions**

**Chapter 7. Adjournment**



## Chapter 8. Attachments

### Attachment 1

## Keysheen (Cayman) Holdings Co., Limited 2020 Business Report

### I. 2020 Business Report

#### (I) Business plan for 2020

In thousands of NTD, except earnings (deficits) per share

Item	2020		2019		Amount increased (decreased)	% increased (decreased)
	Amount	%	Amount	%		
Operating income (Note 1)	3,233,341	100.00%	4,637,001	100.00%	(1,403,660)	(30.27)%
Gross profit	936,579	28.97%	1,039,509	22.42%	(102,930)	(9.90)%
Net operating profit (loss)	(128,908)	(3.99)%	62,529	1.35%	(191,437)	(306.16)%
Non-operating income and expenses (Note 2)	(60,955)	(1.89)%	47,815	1.03%	(108,770)	(227.48)%
Net profit (loss) before tax (Note 3)	(189,863)	(5.87)%	110,344	2.38%	(300,207)	(272.06)%
Total net profit (loss) for the year (Note 3)	(120,191)	(3.72)%	48,368	1.04%	(168,559)	(348.49)%
Earnings (loss) per share	(1.15)	-	0.46	-	(1.61)	(350.00)%

Note 1. The decrease in operating income was mainly caused by the suspension of production of the Group's Shanghai Keysheen, leading to less operating income in 2020 compared to 2019.

Note 2. The decrease in non-operating income and expenses was mainly due to the significant fluctuation in the exchange rate of NTD against USD in 2020, which leads to exchange losses.

Note 3. The main reasons for the increase in net loss before tax and net loss for the year were due to the decrease in operating income resulting from the suspension of production by the Group's Shanghai Keysheen starting September 2020, which increased recognition of payroll costs associated with the suspension, as well as the exchange loss resulting from the significant fluctuation in NTD against USD in 2020.

(II) Budget execution status: Not applicable.

(III) Financial results and profitability analysis:

Item		Ratio
Return on assets		(1.81)
Return on equity		(3.14)
Percentage over the issued capital	Operating profit	(12.36)
	Net income (loss) before tax	(18.21)
Profit margin		(3.71)
Earnings per share		(1.15)

(IV) Research and development status:

1. The Company's research and development expenses invested in 2020 are NT\$54,404,000, accounting for approximately 1.68% of the net revenue; the amount of investment decreased compared with the previous year.

2. Product development

In addition to continuing the development of the general product lines, the Company has strengthened the research and development of new product lines, such as high-end furniture series and urban series products. Besides, the Company has continued to invest in the development of rattan outdoor furniture products and plastic rattan materials, and expects to have customized service and market segmentation through a diverse range of products.

3. Business development

Continue providing more efficient logistics systems and after-sales services, and strengthen our supply chain partnership cooperation model and management.

4. Development of Shanghai factory

In line with the local government's industrial upgrade policy, the Company resolved to dispose of the land assets of the Shanghai factory which officially ceased production in September 2020. The R&D center of the Company will shift to the Vietnam factory.

5. Development of Vietnam factory

The Company will continue the refined and modular processing method of the Shanghai factory and keep investing in the production of high-end, customized rattan and steel pipe outdoor furniture products, so as to enhance the Company's product competitiveness.

## **II. 2021 business policy and development strategy, important production, and marketing policies, and impacts of the overall business environment, external competitive environment, and regulatory environment**

(I) Business policy and development strategy

1. The integrated production plant for the rattan product line has been completed and put into production, and will gradually realize the Company's plan to penetrate the high-end rattan outdoor furniture market. In the future, the expansion of new product lines will bring more diversified product choices for customers.
2. Establish a smart factory management system to achieve customized mass production conditions through full process bar code management and production history scheduling.
3. Gradually establish and operate a complete upstream and downstream supply chain, which will not only make production costs more competitive but also allow future capacity planning to be more flexible and responsive.
4. Fully consider the utilization rate of equipment capacity and improve worker efficiency, so we can significantly increase the factory utilization rate and production efficiency to meet the growing demands of our customers.
5. Some of the production lines for high-end products in the Shanghai factory are planned to transfer to the Vietnam factory in the hope of leveraging the refined and customized production features of the Vietnam factory to create added value for such

products.

(II) The important production and marketing policies

1. Promote balanced production throughout the year, streamline the manpower planning, and strive to optimize the production process. With an automated and labor-saving production model, manpower and production costs can be more effectively controlled.
2. Strengthen the on-the-job training for employees, pay attention to the training of multi-capacity expertise to improve production efficiency, and leverage production line automation to improve equipment utilization rate.
3. Give full play to the specialties and strengths of the factories, continue to deepen the development of various product lines with appropriate methods, and enhance the penetration and market share of the Company's products with more diversified design, and further provide high value-added services to our customers.
4. Following the trend of global e-commerce trend, the Company will support the operating model of our customers and increase the proportion of e-commerce sales in order to increase the operation scale.

(III) Impact on the overall business environment, external competitive environment, and regulatory environment

1. Looking back to the previous year, the global economy still suffers from the impact of the COVID-19 pandemic, coupled with the continuous geopolitical risks resulting in weak growth momentum of the economy, weakened consumer spending, conservative manufacturing industry, poor overall operating environment. Looking forward to the new year, as COVID-19 vaccines have been developed by various countries, the pandemic is expected to slow down gradually. Therefore, research institutions anticipate that there will be a greater chance for the global economy to rebound in 2021. The main market of the Company is North America. With the end of the US presidential election and the slowdown of the pandemic, the overall operating development in the North American market for the upcoming year is expected to be optimistic.
2. We will address challenges posed by competitors with diverse, customized, and high-end products. Meanwhile, we will maximize the overall corporate resources by leveraging the industry supply chain of the strategic alliance. This will help strengthen the Company's irreplaceable role in the supply and stabilize its competitiveness in the industry.
3. In response to changes in the production environment, such as the rapid policy adjustment for labor and environmental protection, the Company must develop efficient and stable business models and consider that new product lines should be produced in a more suitable and competitive production environment. The expansion of the Company's production base in Vietnam has been completed and is now in full production. It is expected that the expansion can fill some gaps in production capacity caused by the suspension of the Shanghai factory and also minimize the impact of the production suspension.

The Company has accumulated rich industry experience for decades and established a complete production system. The innovative design, capability to independently develop materials, and stable cooperation with customers are the Company's strong business foundations. Under the impact of the previous U.S-China trade war and the subsequent COVID-19 pandemic, the Company is facing severe challenges. However, the Company will make the most of its operational advantages and core capabilities to tackle competition and challenges. Currently, as the Vietnam factory begins production and the Shanghai factory has ceased production, the management team will do their utmost to lead the Company in overcoming the growing environmental challenges and readjust the production capacity between the two factories in order to achieve good results.

Chairman: LIU CHUNG-HSIN    Manager: LIU I-HSIAO    Chief Accountant: YI YING-JIAO

## The Audit Committee's Audit Report

The Board of Directors has prepared and submitted the Company's 2020 Business Report, Consolidated Financial Statements and the proposal for Deficit Compensation, among which the financial statements have been audited and certified by independent auditors, Lu I-Chen and Lin Yi-Hui, of Deloitte & Touche, and an audit report was issued accordingly.

The aforementioned Business Report, Consolidated Financial Statements, and proposal for Deficit Compensation were reviewed by the Audit Committee with no comment. According to the relevant rules set forth in the Securities and Exchange Act and the Company Act, we hereby submit this report for approval.

Regards,

Keysheen (Cayman) Holdings Co., Limited  
2021 Annual General Shareholders' Meeting

Convener of the Audit Committee: Chien, Chih-Jen

March 26, 2021

## Independent Auditors' Report

To Keysheen (Cayman) Holdings Co., Limited:

### Audit Opinions

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

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Keysheen Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by the Securities Issuers, and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis of Opinions

In 2020, we conducted audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. In 2019, we conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Letter No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, as well as auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Keysheen Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, are of most significance in our audit of the consolidated financial statements of the Keysheen Group for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Keysheen Group's consolidated financial statements for the year ended December 31, 2020 are stated as follows:

#### The Recognition of Sales Revenue from Specific Products

Keysheen Group's sales revenue and gross profit for the year 2020 were NT\$3,233,341,000 and NT\$936,579,000, respectively, which were mainly from sales of outdoor furniture and rattan table and chair products. The gross margin in 2020 is higher than that of 2019, mainly because the average sales revenue generated by certain specific products in 2020 is significantly higher than that of 2019. Therefore, the authenticity of the revenue generated by the aforementioned specific products meets specific conditions and is listed as a key audit matter.

## Corresponding Audit Procedures

Our key audit procedures performed with respect to the above area include the following:

1. Understanding and testing the design of the internal control system to recognize the sales revenue generated by specific products and testing the system's feasibility.
2. Conducting a random inspection of sales orders, shipping documents and receivable documents from the details of specific product sales in order to confirm the occurrence of the recognition of sales revenue.
3. Reviewing any abnormalities that occurred in subsequent sales returns and discounts of specific products.

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

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

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

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

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

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

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

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

Deloitte and Touche Taipei, Taiwan

Auditor LU I-CHEN

Auditor LIN YI-HUI

Financial Supervisory Commission  
Approval Document Ref. No. FSC Sheng-  
Zi 1080321204

Financial Supervisory Commission Approval  
Document Ref. No. FSC Sixth-Zi  
0940161384

March 26, 2021

The English version of the consolidated financial statements is translated from the Chinese version and is not audited by Deloitte & Touche.



Keysheen (Cayman) Holdings Co., Limited and subsidiaries

Consolidated Balance Sheets

December 31, 2020 & 2019

Unit: NT\$ thousand

Code	Assets	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
	<b>Current assets</b>				
1100	Cash and cash equivalents (Note 6)	\$ 2,318,637	41	\$ 1,594,143	27
1136	Financial assets at amortized cost - current (Note 8)	98,245	2	-	-
1170	Account receivables (Notes 9 and 22)	616,223	11	1,014,008	17
1200	other receivables (Note 9)	27,397	1	36,201	1
1220	Current tax assets (Note 24)	21,724	-	14,857	-
130X	Inventories (Note 10)	671,421	12	1,216,452	20
1410	Prepayments (Note 16)	140,270	3	142,299	2
1460	Noncurrent assets for sales (Note 11)	730,284	13	-	-
1470	Other current assets	18	-	251	-
11XX	Total current assets	<u>4,624,219</u>	<u>83</u>	<u>4,018,211</u>	<u>67</u>
	<b>Non-current assets</b>				
1600	Property, plants, and equipment (Note 13)	687,214	12	1,589,126	27
1755	Right-of-use assets (Note 14)	170,633	3	339,941	6
1821	Other intangible assets (Note 15)	21,871	-	22,420	-
1840	Deferred tax assets (Note 24)	84,840	2	7,609	-
1990	Other noncurrent assets (Note 16)	410	-	3,880	-
15XX	Total noncurrent assets	<u>964,968</u>	<u>17</u>	<u>1,962,976</u>	<u>33</u>
1XXX	Total assets	<u>\$ 5,589,187</u>	<u>100</u>	<u>\$ 5,981,187</u>	<u>100</u>
	<b>Liabilities and Equity</b>				
	<b>Current Liabilities</b>				
2100	Short-term loans (Note 17)	\$ 1,261,639	23	\$ 861,026	15
2120	Financial liabilities at fair value through profit or loss - current (Notes 7 and 28)	-	-	3,712	-
2130	Contract liabilities - current (Note 22)	3,395	-	7,526	-
2170	Accounts payable (Note 18)	179,999	3	559,239	9
2200	Other payables (Note 19)	217,874	4	247,515	4
2230	Current tax liabilities (Note 24)	6,374	-	9,710	-
2280	Lease liabilities - current (Notes 14 and 29)	5,244	-	9,712	-
2320	Long-term liabilities due in one year or one business cycle (Note 17)	-	-	210,228	4
2399	Other current liabilities	2,949	-	4,036	-
21XX	Total current liabilities	<u>1,677,474</u>	<u>30</u>	<u>1,912,704</u>	<u>32</u>
	<b>Non-current liabilities</b>				
2570	Deferred tax liabilities (Note 24)	127,950	2	128,188	2
2580	Lease liabilities - noncurrent (Notes 14 and 29)	27,056	1	33,937	1
2670	Other non-current liabilities	109	-	323	-
25XX	Total non-current liabilities	<u>155,115</u>	<u>3</u>	<u>162,448</u>	<u>3</u>
2XXX	Total liabilities	<u>1,832,589</u>	<u>33</u>	<u>2,075,152</u>	<u>35</u>
	<b>Equity attributable to owners of the Company (Note 21)</b>				
	<b>Share capital</b>				
3110	Common shares	1,042,610	19	1,042,610	18
3200	Capital surplus	2,113,900	38	2,113,900	35
	<b>Retained earnings</b>				
3310	Legal reserve	138,209	2	138,209	2
3320	Special surplus reserve	202,762	4	32,457	1
3350	Unappropriated earnings	420,091	7	749,164	12
3300	Total retained earnings	761,062	13	919,830	15
3400	Other equity	(160,974)	(3)	(170,305)	(3)
31XX	Total equity attributable to owners of the Company	<u>3,756,598</u>	<u>67</u>	<u>3,906,035</u>	<u>65</u>
3XXX	Total equity	<u>3,756,598</u>	<u>67</u>	<u>3,906,035</u>	<u>65</u>
	<b>Total liabilities and equity</b>	<u>\$ 5,589,187</u>	<u>100</u>	<u>\$ 5,981,187</u>	<u>100</u>

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

Chairman: LIU CHUNG-HSIN

Manager: LIU I-HSIAO

Chief Accountant: YI YING-JIAO

Keysheen (Cayman) Holdings Co., Limited and subsidiaries

Consolidated Statements of Comprehensive Income

For the Year Ended December 31, 2020 and 2019

Unit: NT\$ thousand, except for the Earnings (Deficit) Per Share (NT\$)

Code		2020		2019	
		Amount	%	Amount	%
	Operating income				
4100	Sales revenue (Note 22)	\$ 3,233,341	100	\$ 4,637,001	100
	Operating costs				
5110	Cost of goods sold (Notes 10 and 23)	( 2,296,762)	( 71)	( 3,597,492)	( 78)
5900	Gross profit	<u>936,579</u>	<u>29</u>	<u>1,039,509</u>	<u>22</u>
	Operating expenses (Note 23)				
6100	Selling expenses	( 409,281)	( 13)	( 525,641)	( 11)
6200	Management expenses	( 600,758)	( 18)	( 371,731)	( 8)
6300	Research and				
	development expenses	( 54,404)	( 2)	( 78,244)	( 2)
6450	Expected credit				
	impairment losses	( 1,044)	-	( 1,364)	-
6000	Total operating expenses	( 1,065,487)	( 33)	( 976,980)	( 21)
6900	Net operating (loss) profit	( 128,908)	( 4)	62,529	1
	Non-operating income and expenditure (Note 23)				
7100	Interest revenue	20,420	1	18,518	-
7010	Other income	15,305	-	23,740	1
7020	Other gains and losses	( 81,683)	( 3)	40,093	1
7050	Financing costs	( 14,997)	-	( 34,536)	( 1)
7000	Total non-operating income and expenditure	( 60,955)	( 2)	47,815	1
7900	Profit (loss) before tax	( 189,863)	( 6)	110,344	2
7950	Income tax benefits (expenses) (Note 24)	<u>69,672</u>	<u>2</u>	( 61,976)	( 1)
8200	Net profit (loss)	( 120,191)	( 4)	48,368	1

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Code		2020		2019	
		Amount	%	Amount	%
	Other comprehensive income and expenses				
8310	Items that will not be reclassified subsequently to profit or loss:				
8341	Exchange difference of translation to presentation currency	\$ 61,328	2	(\$ 151,769)	( 3)
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	( 51,997)	( 1)	13,921	-
8300	current other comprehensive income and expenses (net amount after tax)	9,331	1	( 137,848)	( 3)
8500	Total comprehensive income for the year	(\$ 110,860)	( 3)	(\$ 89,480)	( 2)
	Earnings (deficit) per share (Note 25)				
9710	Basic	(\$ 1.15)		\$ 0.46	
9810	Dilution	(\$ 1.15)		\$ 0.46	

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

Chairman: LIU CHUNG-HSIN

Manager: LIU I-HSIAO

Chief Accountant: YI YING-JIAO

Keysheen (Cayman) Holdings Co., Limited and subsidiaries  
Consolidated Statements of Changes In Equity  
For the Year Ended December 31, 2020 and 2019

Unit: NT\$ thousand

Code		Attributable to equity for owners of the Company						Other equity items	Total equity
		Share capital		Capital surplus	Legal reserve	Retained earnings		Foreign operations translation of financial statements	
		Shares (thousand shares)	Amount			Special surplus reserve	Unappropriated earnings		
A1	Balance on January 1, 2019	104,261	\$ 1,042,610	\$ 2,113,900	\$ 138,209	\$ -	\$ 733,253	(\$ 32,457)	\$ 3,995,515
B3	Appropriation and distribution of retained earnings generated in 2018 (Note 21) Set aside as special surplus reserve	-	-	-	-	32,457	( 32,457)	-	-
D1	Net income for the year 2019	-	-	-	-	-	48,368	-	48,368
D3	Other comprehensive income for the year 2019	-	-	-	-	-	-	( 137,848)	( 137,848)
D5	Total comprehensive income for the year 2019	-	-	-	-	-	48,368	( 137,848)	( 89,480)
Z1	Balance on December 31, 2019	104,261	1,042,610	2,113,900	138,209	32,457	749,164	( 170,305)	3,906,035
B3	Appropriation and distribution of retained earnings for 2019 (Note 21) Set aside as special surplus reserve	-	-	-	-	170,305	( 170,305)	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	-	( 38,577)	-	( 38,577)
D1	Net income for the year 2020	-	-	-	-	-	( 120,191)	-	( 120,191)
D3	Other comprehensive income for the year 2020	-	-	-	-	-	-	9,331	9,331
D5	Total comprehensive income for the year 2020	-	-	-	-	-	( 120,191)	9,331	( 110,860)
Z1	Balance on December 31, 2020	<u>104,261</u>	<u>\$ 1,042,610</u>	<u>\$ 2,113,900</u>	<u>\$ 138,209</u>	<u>\$ 202,762</u>	<u>\$ 420,091</u>	<u>(\$ 160,974)</u>	<u>\$ 3,756,598</u>

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

Chairman: LIU CHUNG-HSIN

Manager: LIU I-HSIAO

Chief Accountant: YI YING-JIAO

Keysheen (Cayman) Holdings Co., Limited and subsidiaries

Consolidated Statements of Cash Flows

For the Year Ended December 31, 2020 and 2019

Unit: NT\$ thousand

Code		2020	2019
	Cash flows from operating activities		
A10000	Net profit (loss) before tax for the year	(\$ 189,863)	\$ 110,344
A20010	Adjustments for:		
A20100	Depreciation expenses	208,371	238,380
A20200	Amortization expenses	6,086	4,616
A20300	Expected credit impairment losses	1,044	1,364
A20400	Net loss on financial liabilities at fair value through profit or loss	-	3,788
A20900	Financing costs	14,997	34,536
A21200	Interest revenue	( 20,420)	( 18,518)
A22500	(Profit) loss on disposal of property, plants and equipment	( 14,763)	71
A23000	Profit on disposal of noncurrent assets held for sale	( 2,512)	-
A23700	Reduction of inventory to market and obsolescence loss	23,191	-
A23700	Non-financial asset impairment losses	30,391	-
A29900	Gains on lease modification	( 241)	-
A30000	Net change in operating assets and liabilities		
A31150	Accounts receivable	396,745	1,110,241
A31180	Other receivables	8,793	( 25,658)
A31200	Inventory	522,805	399,465
A31230	Prepayments	2,029	183,540
A31240	Other current assets	233	( 203)
A32110	Financial liabilities held for trading	( 3,712)	-
A32125	Contract liability	( 4,131)	1,191
A32150	Accounts payable	( 379,240)	( 284,740)
A32180	Other payables	( 21,022)	( 86,375)
A32230	Other current liabilities	( 1,087)	( 1,980)
A33000	Cash generated from operations	577,694	1,670,062
A33100	Interest received	20,420	18,857
A33300	Interest paid	( 14,945)	( 34,007)
A33500	Income tax paid	( 18,202)	( 85,276)
AAAA	Net cash provided by (used in) operating activities	<u>564,967</u>	<u>1,569,636</u>

(Continued on the next page)

(Continued from the previous page)

Code		2020	2019
	Cash flows from investing activities		
B00040	Acquisition of financial assets measured at amortized cost	(\$ 98,245)	\$ -
B02600	Proceeds from disposal of noncurrent assets held for sale	22,315	-
B02700	Acquisition of real property, plants, and equipment	( 11,945)	( 63,611)
B02800	Proceeds from disposal of property, plants and equipment	65,107	-
B03700	Guarantee deposits increased	-	( 743)
B03800	Guarantee deposits decreased	461	-
B04500	Acquisition of intangible assets	( 1,580)	( 3,086)
B07100	Pre-payments for equipment increased	( 1,662)	( 5,158)
BBBB	Net cash flows from investing activities	<u>( 25,549)</u>	<u>( 72,598)</u>
	Cash flows from financing activities		
C00100	Increase in short-term loans	400,613	-
C00200	Decrease in short-term loans	-	( 1,074,366)
C01700	Repayment of long-term loans	( 210,228)	( 250,155)
C03100	Returning of guarantee deposits received	( 214)	( 12)
C04020	Payments of lease liabilities	( 7,157)	( 10,531)
C04500	Dividends to owners of the Company	( 38,577)	-
CCCC	Net cash provided by (used in) financing activities	<u>144,437</u>	<u>( 1,335,064)</u>
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>40,639</u>	<u>( 133,386)</u>
EEEE	Net increase in cash and cash equivalents	724,494	28,588
E00100	Beginning balance of cash and cash equivalents	<u>1,594,143</u>	<u>1,565,555</u>
E00200	Ending balance of cash and cash equivalents	<u>\$ 2,318,637</u>	<u>\$ 1,594,143</u>

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

Chairman: LIU CHUNG-HSIN      Manager: LIU I-HSIAO      Chief Accountant: YI YING-JIAO

**Keysheen (Cayman) Holdings Co., Limited**  
**Deficit Compensation**  
**2020**

Item	NTD		Note
	sub-total	Total	
The undistributed profits in the previous year		540,281,593	
Less: Net loss after tax of 2020	(120,190,924)		
Plus: Special surplus reserve attributable to equity reduction	41,788,324	(78,402,600)	
The distributable retained earnings		461,878,993	
Stock dividends (NTD0 per share)	0	0	
Cash dividends (NTD0 per share)	0	0	
The ending retained earnings of the year		461,878,993	

Chairman: LIU CHUNG-HSIN    Manager: LIU I-HSIAO    Chief Accountant: YI YING-JIAO

**Keysheen (Cayman) Holdings Co., Limited**  
Comparison Table for Amendments to the Procedures for Election of Directors

Article	After the revision	Before revision	Reason for amendment
Article 5	<p>Elections of directors (including independent Directors) of the Company shall be conducted in accordance with the candidate nomination system and procedures set forth in Article 192-1 of Taiwan's Company Act.</p> <p>When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting.</p> <p>When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p> <p>When the number of the independent directors falls below the proviso to Paragraph 1, Article 14-2 of the Securities and Exchange Act, a by-election shall be held at the next shareholders' meeting to fill the vacancies. When the independent directors are dismissed en masse, a special shareholders' meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p>	<p>Elections of directors (including independent Directors) at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Taiwan Company Act.</p> <p>When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting.</p> <p>When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p> <p>When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for Taipei Exchange Listing under Article 10, Paragraph 1 of the Taipei Exchange Rules Governing the Review of Securities for Trading on the Taipei Exchange, a by-</p>	<p>In accordance with the Taiwan Stock Exchange Letter Tai-Zheng-Zhi-Li No. 10900094681 dated June 3, 2020.</p>



Article	After the revision	Before revision	Reason for amendment
		election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.	
	Deleted	<p>Article 10</p> <p>If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.</p>	<p>In accordance with the Taiwan Stock Exchange Letter Tai-Zheng-Zhi-Li No. 10900094681 dated June 3, 2020.</p>
Article 10	<p>A ballot is deemed void if any of the following circumstances occurs:</p> <ol style="list-style-type: none"> <li>1. The ballot was not prepared by a person with the right to convene.</li> <li>2. A blank ballot is placed in the ballot box.</li> <li>3. The writing is unclear and indecipherable or has been altered.</li> </ol>	<p>Article 11</p> <p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> <li>1. The ballot was not prepared by the Board of Directors.</li> <li>2. A blank ballot is placed in the ballot box.</li> <li>3. The writing is unclear and indecipherable or has been altered.</li> <li>4. The candidate whose name is</li> </ol>	<p>In accordance with the Taiwan Stock Exchange Letter Tai-Zheng-Zhi-Li No. 10900094681 dated June 3, 2020.</p>

Article	After the revision	Before revision	Reason for amendment
	<p>4. Where a person or a director candidate whose name entered into the ballot is found not included in the candidate list.</p> <p>5. Other words or marks are entered in addition to the number of voting rights allotted.</p>	<p>entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.</p> <p>5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.</p> <p>6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.</p>	
Article 11	<p>The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If,</p>	<p>Article 12:</p> <p>The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper</p>	In line with deletion of Article 10, the article number is adjusted.

Article	After the revision	Before revision	Reason for amendment
	however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.	custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.	
Article 12	The Board of Directors of the Company shall issue notifications to the persons elected as directors.	Article 13: The Board of Directors of the Company shall issue notifications to the persons elected as directors.	In line with deletion of Article 10, the article number is adjusted.
Article 13	These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders' meeting.	Article 14: These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.	In line with deletion of Article 10, the article number is adjusted.
Article 14	This procedure of election are the supplementary articles of the company's articles of association. Those who are not stipulated in this procedure will be subject to the provisions of the company's Articles of Incorporation. If the provisions of this procedure conflict with the provisions of the Articles of Incorporation of the company, the provisions of the Articles of Incorporation of the company shall prevail. If this procedure conflicts with the relevant laws and regulations, the part that conflicts will become invalid, and this part shall be handled in accordance with the relevant laws and regulations.	Article 15: This procedure of election are the supplementary articles of the company's articles of association. Those who are not stipulated in this procedure will be subject to the provisions of the company's Articles of Incorporation. If the provisions of this procedure conflict with the provisions of the Articles of Incorporation of the company, the provisions of the Articles of Incorporation of the company shall prevail. If this procedure conflicts with the relevant laws and regulations, the part that conflicts will become invalid, and this part shall be handled in accordance with the relevant laws and regulations.	In line with deletion of Article 10, the article number is adjusted.

**Keysheen (Cayman) Holdings Co., Limited****Comparison Table for Amendments to the Rules and Procedures of Shareholders' Meetings**

Article	After the revision	Before revision	Reason for amendment
Article 3	<p>The notice of the general meeting: Except when otherwise specified in applicable laws, the Meeting is convened by the Board of Directors. The Company shall prepare electronic versions of the shareholders' meeting notice, proxy forms, and the origins and explanatory materials of all proposals, including proposals for ratification, matters for deliberation, and the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders' meeting or 15 days before the date of a special shareholders' meeting. At least twenty-one and fifteen days' notices shall be given for any annual or extraordinary general meetings, respectively. The Company shall prepare a general shareholders' meeting handbook and the relevant materials, which will be sent to or made available to all shareholders and shall be published on the MOPS. Fifteen days prior to the shareholders' meeting, the general shareholders' meeting handbook and the relevant materials of the meeting shall be prepared for the shareholders to read and be displayed in the Company and the professional stock agency appointed by the Company, and shall be distributed at the shareholders' meeting. The notice and announcement shall state the cause of the convening; the notice approved by the counterparty may be performed by means of electronic transmission.</p>	<p>The notice of the general meeting: Except when otherwise specified in applicable laws, the Meeting is convened by the Board of Directors. At least thirty and fifteen days' notices in writing shall be given for any annual and extraordinary general meetings, respectively. The notice for a general meeting may be given by means of electronic communication if the Company obtains prior consent by the individual recipients. The Company shall prepare a general shareholders' meeting handbook and the relevant materials, which will be sent to or made available to all Shareholders and shall be published on the MOPS. At least twenty-one and fifteen days' notices shall be given for any annual or extraordinary general meetings, respectively. The Company shall prepare a general shareholders' meeting handbook and the relevant materials, which will be sent to or made available to all Shareholders and shall be published on the MOPS. Fifteen days prior to the shareholders' meeting, the general shareholders' meeting handbook and the relevant materials of the meeting shall be prepared for the shareholders' to read and be displayed on the company and the professional stock agency</p>	<p>In accordance with the Taiwan Stock Exchange Letter Tai-Zheng-Zhi-Li No. 11000014461 dated January 28, 2021.</p>

Article	After the revision	Before revision	Reason for amendment
	<p>Election or dismissal of Directors, changes to the Articles of Incorporation, reduction of capital, application for suspension of a public offering, permission for Directors to compete for business, earnings transferred to common stock, capital surplus transferred to common stock, dissolution, merger, and division of the Company, or all items set forth in Paragraph 1, Article 185 of Taiwan's Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be listed as reasons to convene the meeting, with their essential contents specified, and shall not be raised as extempore motions. The reasons for convening of the shareholders' meeting has stated the full re-election of directors and the date of appointment. After the re-election in the shareholders' meeting is completed, the same meeting shall not change its appointment date by an extempore motion or other means.</p> <p>A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders' meeting. Such proposal, however, is limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. Under any circumstances stated in Paragraph 4, Article 172-1 of Taiwan's Company Act, the Board of Directors of the Company may exclude the proposal submitted by a shareholder from the list of proposals to be discussed at a regular meeting of shareholders. Shareholders</p>	<p>appointed by the company, and shall be distributed at the shareholders' meeting. The notice and announcement shall state the cause of the convening; the notice approved by the counterparty may be performed by means of electronic transmission.</p> <p>The matters of election or discharge of directors, amendments to these Articles, dissolution, capital reduction, application for suspension of public offering, approval for directors' competing business, capital increase by retained earning, capital increase by public reserve, merger or spin-off of the Company and the first paragraph of Article 185 of the Taiwan Company Act, shall be specified in the notice of the reasons for convening the shareholders meeting and explain the main content, and shall not be proposed as ad hoc motions. Its main content may be placed on the website designated by the securities authority or the company, and its website shall be stated in the notice.</p> <p>The reasons for convening of the shareholders' meeting has stated the full re-election of directors and the date of appointment. After the re-election in the shareholders' meeting is completed, the same meeting shall not change its appointment date by temporary motion or other means.</p> <p>A shareholder holding 1 percent or more of the total number of</p>	

Article	After the revision	Before revision	Reason for amendment
	<p>may submit suggestive proposals to urge this Company to promote the public interest or fulfill its social responsibilities. It shall be limited to one proposal in terms of the procedure in accordance with Article 172-1 of the Company Act. Any proposal in excess shall be excluded from the agenda.</p> <p>Omitted</p>	<p>issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, the shareholder proposal is a proposal to urge the company to promote public interest or fulfill its social responsibilities, and the Board of Directors must still include the proposal. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.</p> <p>Omitted</p>	
Article 9	<p>Number of Attendance and meeting: The attendance of the shareholders' meeting shall be based on the shareholdings. The calculation of the number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the signature book or the attendance cards submitted by the shareholders, with shares whose votes are exercised by mail or electronically via the internet. The chairperson shall call the meeting to order at the time scheduled for the meeting and announce relevant information such as the number of shares with no voting right and shares present.</p> <p>If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at</p>	<p>Number of Attendance and meeting: The attendance of the shareholders' meeting shall be based on the shareholdings. The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with signature book or the attendance cards submitted by the shareholders. Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall</p>	<p>In accordance with the Taiwan Stock Exchange Letter Tai-Zheng-Zhi-Li No. 110000144 61 dated January 28, 2021.</p>

Article	After the revision	Before revision	Reason for amendment
	<p>the time scheduled for the Meeting, the chairperson may postpone the Meeting. The postponements shall be no more than two times, and the Meeting shall not be postponed for more than one hour in the aggregate. In the event that the meeting is still attended by shareholders representing less than one-third of the total issued shares after two postponements, the chairperson may announce that the meeting should be canceled.</p> <p>In the event that the meeting is attended by shareholders not up to the specified quorum but representing more than one-third of the total issued shares after two postponements, a tentative resolution may be passed in accordance with Paragraph 1, Article 175 of Taiwan's Company Act. Another shareholder's meeting shall be held within a month after shareholders are informed of the tentative resolution.</p> <p>In the event that the total number of shares represented by attending shareholders reaches a majority of the total issued shares before that same shareholder meeting is adjourned, the chairperson may adopt a tentative resolution and bring it forward to the shareholder meeting for adoption in accordance with Article 174 of Taiwan's Company Act.</p>	<p>be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate.</p>	
Article 14	<p>Election matters:</p> <p>Where there is a proposal for the election of Directors at the shareholder meeting, the election shall be conducted in accordance with the Procedures for Election of Directors, and the results of the election should be announced by the chairperson at the meeting, including the list of elected Directors and the number of votes, as well as the list of</p>	<p>Election matters:</p> <p>Where there is a proposal for election of directors in a general meeting shall be conducted in accordance with the Rules for election of Directors, and the results of the election should be announced by the Chairman at the meeting, including a list of elected directors and their elected powers.</p>	<p>In accordance with the Taiwan Stock Exchange Letter Tai-Zheng-Zhi-Li No. 110000144</p>

Article	After the revision	Before revision	Reason for amendment
	unelected Directors and the respective number of votes received. Omitted	Omitted	61 dated January 28, 2021.



## **Chapter 9. Appendix**

Appendix 1

Before the Revision

# **Keysheen (Cayman) Holdings Co., Limited**

## **Procedures for Election of Directors**

Article 1:

To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2:

Except as otherwise provided by law and regulation of Taiwan and Cayman Islands or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 3:

The overall composition of the Board of Directors shall be taken into consideration in the selection of this Company's directors. The composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The Board of Directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.

Article 4:

In accordance to the Company's Memorandum AND articles OF association, the Company should appoint Independent Directors during the trading of shares in the Taipei Exchange or the Taiwan Stock Exchange. The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and

## Compliance Matters for Public Companies of Taiwan.

### Article 5:

Elections of directors (including independent Directors) at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Taiwan Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies. When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for Taipei Exchange Listing under Article 10, Paragraph 1 of the Taipei Exchange Rules Governing the Review of Securities for Trading on the Taipei Exchange, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

### Article 6:

The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

### Article 7:

The Board of Directors shall prepare separate ballots for directors and supervisors. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

### Article 8:

The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

### Article 9:

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be

prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10:

If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 11:

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the Board of Directors.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 12:

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

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 13:

The Board of Directors of the Company shall issue notifications to the persons elected as directors.

Article 14:

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders

meeting.

Article 15:

This procedure of election are the supplementary articles of the company's articles of association. Those who are not stipulated in this procedure will be subject to the provisions of the company's Articles of Incorporation. If the provisions of this procedure conflict with the provisions of the Articles of Incorporation of the company, the provisions of the Articles of Incorporation of the company shall prevail. If this procedure conflicts with the relevant laws and regulations, the part that conflicts will become invalid, and this part shall be handled in accordance with the relevant laws and regulations.

# **Keysheen (Cayman) Holdings Co., Limited**

## **Rules and Procedures of Shareholders' Meetings**

Article 1: in accordance with:

In order to establish a good shareholder governance system, improve supervision functions and strengthen management functions of the Company, the rules are set out in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2: Unless relevant laws and regulations or the Company's Articles of Association provide otherwise, the Company's Shareholders' Meeting shall be conducted in accordance with the Rules and Procedures of Shareholders' Meetings.

Article 3: the notice of the general meeting:

Except when otherwise specified in applicable laws, the Meeting is convened by the Board of Directors.

At least thirty and fifteen days' notices in writing shall be given for any annual and extraordinary general meetings, respectively. The notice for a general meeting may be given by means of electronic communication if the Company obtains prior consent by the individual recipients. The Company shall prepare a general shareholders' meeting handbook and the relevant materials, which will be sent to or made available to all Shareholders and shall be published on the MOPS. At least twenty-one and fifteen days' notices shall be given for any annual or extraordinary general meetings, respectively. The Company shall prepare a general shareholders' meeting handbook and the relevant materials, which will be sent to or made available to all Shareholders and shall be published on the MOPS. Fifteen days prior to the shareholders' meeting, the general shareholders' meeting handbook and the relevant materials of the meeting shall be prepared for the shareholders' to read and be displayed on the company and the professional stock agency appointed by the company, and shall be distributed at the shareholders' meeting.

The notice and announcement shall state the cause of the convening; the notice approved by the counterparty may be performed by means of electronic transmission.

The matters of election or discharge of directors, amendments to these Articles, dissolution, capital reduction, application for suspension of public offering, approval for directors' competing business, capital increase by retained earnings, capital increase by public reserve, merger or spin-off of the Company and the first paragraph of Article 185 of the Taiwan Company Act, shall be specified in the notice of the reasons for convening the shareholders meeting and explain the main content, and shall not be proposed as ad hoc motions. Its main content may be placed on the website designated by the securities authority or the company, and its website shall be stated in the notice.

The reasons for convening of the shareholders' meeting has stated the full re-election of directors and the date of appointment. After the re-election in the shareholders' meeting is completed, the same meeting shall not change its appointment date by temporary motion or other means.

A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, the shareholder proposal is a proposal to urge the company to promote public interest or fulfill its social responsibilities, and the Board of Directors must still include the proposal. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Prior to the date on which a share transfer registration is suspended before the convention of a regular shareholders' meeting, the company shall give a public notice announcing the place, the

hardcopy and electronic methods, and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten days.

The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words, and any proposal containing more than 300 words, the proposal shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.

The company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the Board of Directors at the shareholders' meeting to be convened.

#### Article 4: Entrusted to attend the shareholders meeting and power authorized:

A Shareholder may appoint a proxy to attend a general meeting on his behalf by executing a power of attorney prepared by the Company stating therein the scope of power authorized to the proxy.

A Shareholder may only execute one power of attorney and appoint one proxy for each general meeting, and shall serve such written proxy to the Company no later than five days prior to the meeting date. In case the Company receives two or more written proxies from one Shareholder, the first one arriving at the Company shall prevail. Unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

After the service of the power of attorney of a proxy to the company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person, a proxy rescission notice shall be filed with the company at least two day prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

#### Article 5: Principle of meeting place and time of the shareholders' meeting:

The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. For so long as the Shares are registered in the Emerging Market or listed in the GreTai Securities Market or TSE, all general meetings shall be held in Taiwan. If the Directors resolve to hold a general meeting outside Taiwan, the Company shall apply for the approval of the GreTai Securities Market (or the TSE, if applicable) thereof within two days after the board of Directors adopts such resolution. The time for commencing the said meeting shall not be earlier than 9 o'clock in the morning or later than 3 o'clock local time in the afternoon. It shall take into full consideration each independent director's opinions.

#### Article 6: Attendance Signing Booklet:

The company shall specify the time of receipt of the shareholders, the place of registration, and other matters needing attention in the notice of the meeting.

The time for the acceptance of the shareholders of the meeting shall be handled at least 30 minutes before the start of the meeting; the registration place shall be clearly marked and appropriate personnel shall be appointed to handle it.



Shareholders or the power of attorney of a proxy (the shareholder) attending the Meeting shall have attendance card, sign-in card or other certificate of attendance issued by the Company. The company shall not arbitrarily add other supporting documents for the attendance of the meeting. The proxy Solicitor shall provide ID documents for verification.

The company should set up a signature book for attending shareholders to sign in. Or shareholders attending the Meeting shall submit the attendance card for the purpose of signing in.

The company shall prepare Agenda Handbooks, Annual report, attendance card and voting card for the meeting and the relevant materials, which will be sent to or made available to the attending Shareholders. Where voting powers on the election of directors at a shareholders' meeting are to be exercised, a printed ballot shall also be sent to the shareholders, as well.

Any government or corporation which is a Shareholder of the Company it may designate more than one person as its representatives to attend the Meeting. A corporation to be a proxy, only one representative can attend the Meeting.

#### Article 7: Chairman and other Attendance:

The Chairman of the Board of Directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. If, for any reason, the Chairman of the Board of Directors cannot preside at the Meeting, one of the Directors appointed by the Chairman shall preside at the Meeting. If the chairman of the Board of Directors does not appoint an agent, the directors shall select one person from among themselves to serve as Chairman.

The chairman of the preceding paragraph is a director of the Board of Directors who has served for more than six months and is aware of the company's financial operations. If the chairman is a representative of a corporation director, the same is true.

In case the Meeting is convened by the Board of Directors, the chairman should personally preside. If a general meeting is called by the Board of Directors, half or more of the Directors present at the scheduled time for the meeting would be appropriate. At least one representative of each functional committee is present, and the attendance is recorded in the shareholders' meeting minutes.

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

The Company may appoint designated counsel, CPA or other related persons to attend the Meeting.

#### Article 8: The process of the Meeting shall be tape-recorded or videotaped:

The company shall tape-record or videotape the whole process of the shareholders' registration process, the process of the meeting, and the voting counting process from the time of acceptance of the shareholders' registration. The process of the Meeting shall be tape recorded or videotaped and these tapes shall be preserved for at least one year.

The tapes of the preceding paragraph shall be preserved for at least one year. If a litigation occurs according to Article 189 of the Company Act, the relevant audio or video recordings shall continue to be retained until the litigation is concluded.

#### Article 9: Number of Attendance and meeting:

The attendance of the shareholders' meeting shall be based on the shareholdings. The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with signature book or the attendance cards submitted by the shareholders. Chairman shall call the

Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate.

#### Article 10: Meeting Process:

The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Relevant items (including temporary motions and amendments to the original item) should each be voted on a case-by-case basis. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.

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

Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved. The chairman violated the rules of procedure and announced adjournment. Other members of the Board of Directors should promptly assist the attending shareholders to set up procedures in accordance with the law, and vote for more than half of the shareholders' voting rights to elect one person to serve as chairman and continue the meeting.

The proposed resolutions should have sufficient discussion and description, the chairman may announce to end the discussion of any resolution and go into voting with adequate time if the Chairman deems it appropriate.

#### Article 11: Shareholders' Speech:

When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman.

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

Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding 5 minutes). In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder.

Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise the chairman shall stop such interruption.

If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.

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

#### Article 12: Voting Right; Conflict-Interested:

The vote of the shareholders' meeting shall be based on the shareholding

The resolution of the shareholders' meeting, the number of shares of the non-voting shareholders, is not included in the total number of issued shares.

A Shareholder cannot exercise his own vote or by proxy on behalf of another Shareholder with respect to any contract or proposed contract or arrangement if he may be interested therein.

Such Shares shall not be counted in determining the number of votes of the Shareholders present at the said meeting. Except for trust enterprises or Shareholders' Service Agencies approved by Taiwan competent authorities, when a person who acts as the proxy for two or more Shareholders, the number of votes represented by him shall not exceed three percent (3%) of the total number of votes of the Company and the portion of excess votes represented by such proxy shall not be counted.

#### Article 13: Vote Method:

Shareholders have one vote per share; however, they are not subject to restrictions or those who have no voting rights listed in the second paragraph of Article 179 of the Taiwan Company Act.

The votes of the shareholders' meeting should be exercised by electrical transmission and may be exercised in writing if the method for exercising the votes has been described in the notice of the general meeting. Shareholders who exercise their voting rights in writing or electronically are deemed to attend the shareholders' meeting in person. However, the provisional motion of the shareholders meeting and the amendment of the original motion are regarded as abstentions, so the company should avoid proposing the motion and the amendment of the original motion.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except otherwise specified in Taiwan Company Act, the Articles of Association of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, and the shareholders voted on a case-by-case basis and on the day after the shareholders' meeting was held, the results of the shareholders' consent, opposition and waiver were entered into the MOPS.

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

The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s).

At any general meeting a resolution put to the vote of the meeting shall be decided on a poll in the meeting place. The number or proportion of the votes in favor of, or against, that resolution should be announced at the meeting, and shall be recorded in the minutes of the meeting.

**Article 14: Election matters:**

Where there is a proposal for election of directors in a general meeting shall be conducted in accordance with the Rules for election of Directors, and the results of the election should be announced by the Chairman at the meeting, including a list of elected directors and their elected powers.

The voting tickets shall be sealed up and signed by the person(s) checking the ballots, and retained for at least one year. If a litigation occurs according to Article 189 of the Company Act, the relevant audio or video recordings shall continue to be retained until the litigation is concluded.

**Article 15: Meeting minutes and signing matter:**

The resolutions of general meeting shall be recorded in the meeting minutes. Meeting minutes shall be signed or chopped by the chairman of the meeting and distributed to all shareholders within twenty days after the meeting.

The distribution of Meeting minutes shall be published on the MOPS.

The meeting minutes shall accurately record: the place, year, and time of the meeting; the name of the chairman; the voting method, discussion process and the voting results (including the elected powers) of all of the meeting. When election of Directors is helped, each candidate's elected powers should be revealed. The meeting minutes shall be carefully kept as the Company's important file throughout the life of the Company.

**Article 16: Announcement:**

On the day of the shareholders meeting, the Company shall compile a statistical statement of the number of shares obtained by the solicitor through solicitation and the number of shares represented by the proxy agent, and shall make an express disclosure of the same at the site of the shareholders meeting.

The resolutions of the shareholders' meeting, if there is major information stipulated by the Act and the Taiwan Stock Exchange Co., Ltd. (the GreTai Securities Market), the company shall transmit the contents to MOPS of the Taiwan Stock Exchange within the specified time.

**Article 17: Persons handling affairs of the Meeting shall wear identification cards or badges:**

The chairman may conduct the disciplinary officers or the security guard to assist in keeping order of the Meeting place. Such disciplinary officers or security guards shall wear badges marked "Disciplinary Officers" for identification purpose.

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

Shareholders who violate the rules of the orders and refuse to obey the instructions given by the chairman, the chairman may order disciplinary officers or security guards to remove them from the premises.

**Article 18: Intermission:**

During the Meeting, the chairman may, at his discretion, set time for intermission. The chairman

may by Ordinary Resolution (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Before the final meeting of the shareholders' meeting (including the provisional motion), the venue for the meeting will not be used at that time. It is up to the shareholders' meeting to decide to continue the meeting.

The shareholders' meeting may, in accordance with the provisions of Article 182 of the Taiwan Company Act, decide to postpone or resume the assembly within five days.

#### Article 19: Effectiveness:

The rules of procedure are the by-laws of the company's articles of association, and those not specified in these rules of procedure will be based on the provisions of the company's articles of association. In the event of any conflict between the provisions of The rules of procedure and the provisions of the Articles of Association of the Company, the provisions of the Articles of Association of the Company shall prevail. If the rules of procedure are inconsistent with the relevant laws and regulations, only the part of the rule is invalid, and the part is also handled in accordance with relevant laws and regulations.

Article 20: The Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same shall apply to any amendments to the Procedures.

**THE COMPANIES LAW (AS AMENDED)**  
**COMPANY LIMITED BY SHARES**  
**AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION**  
**OF**  
**KEYSHEEN (CAYMAN) HOLDINGS CO., LIMITED**

**Amended by Special Resolution passed on June 30, 2020**

**THE COMPANIES LAW (AS AMENDED)**  
**COMPANY LIMITED BY SHARES**  
**AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION**  
**OF**  
**KEYSHEEN (CAYMAN) HOLDINGS CO., LIMITED**  
**(Amended by Special Resolution passed on**  
**June 30, 2020)**

1. The name of the Company is Keysheen (Cayman) Holdings Co., Limited (the "**Company**").
2. The registered office of the Company will be situated at the offices of McGrath Tonner Corporate Services Limited, Genesis Building, 5th Floor, Genesis Close, PO Box 446, Cayman Islands or at such other location as the Directors may from time to time determine.
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 Section 7(4) of the Companies Law of the Cayman Islands (as amended) (the "**Law**").
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 Section 27(2) of the Law.
5. 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.
6. The liability of the shareholders of the Company is limited to the amount, if any, unpaid on the shares respectively held by them.
7. The capital of the Company is 2,000,000,000 New Taiwan Dollars divided into 200,000,000 ordinary shares of a nominal or par value of 10 New Taiwan Dollars each provided always that subject to the Law and the Articles of Association the Company shall have power to redeem or repurchase any of its shares and to subdivide 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, special privilege or other rights 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.
8. The Company may exercise the power contained in Section 226 of the Law to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.

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**THE COMPANIES LAW (AS AMENDED)**  
**COMPANY LIMITED BY SHARES**  
**AMENDED AND RESTATED ARTICLES OF ASSOCIATION**  
**OF**  
**KEYSHEEN (CAYMAN) HOLDINGS CO., LIMITED**

(Amended by Special Resolution passed on  
June 30, 2020)

TABLE A

The Regulations contained or incorporated in Table 'A' in the First Schedule of the Law shall not apply to Keysheen (Cayman) Holdings Co., Limited (the "**Company**") and the following Articles shall comprise the Articles of Association of the Company.

INTERPRETATION

1. In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

"**Affiliated Company**" means with respect to any company, any other company that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such first company;

"**Applicable Listing Rules**" means the relevant laws, regulations, rules and code as amended, from time to time, applicable as a result of the original and continued trading or listing of any shares on the TSE or the GreTai Securities Market, the Emerging Market of the GreTai Securities Market, including, without limitation the relevant provisions of Securities and Exchange Act, the Acts Governing Relations Between Peoples of the Taiwan Area and the Mainland Area, or any similar statute and the rules and regulations of the Taiwan authorities thereunder, and the rules and regulations promulgated by the Financial Supervisory Commission, the GreTai Securities Market or the TSE;

"**Articles**" means these articles of association of the Company, as amended or substituted from time to time;

"**Audit Committee**" means a committee consist of independent directors of the Company and subordinate to the Board of Directors;

"**Book-Entry Transfer**" means a method whereby the issue, transfer or delivery of Shares is effected electronically by debit and credit to accounts opened with securities firms by Shareholders, without delivering physical share certificates. If the Shareholder has not opened an account with a securities firm, the Shares delivered by Book-Entry Transfer shall

be recorded in the entry sub-account under the Company's account with the Depository (as defined below);

"**Chairman**" has the meaning given thereto in Article 83;

"**Class**" or "**Classes**" means any class or classes of Shares as may from time to time be issued by the Company;

"**Commission**" means Financial Supervisory Commission of Taiwan or any other authority for the time being administering the Securities and Exchange Act of Taiwan;

"**Constituent Company**" means an existing company that is participating in a Merger with one of more other existing companies within the meaning of the Law;

"**Depository**" means Taiwan Depository & Clearing Corporation;

"**Directors**" and "**Board of Directors**" and "**Board**" means the directors of the Company for the time being, or as the case may be, the directors assembled as a board or as a committee thereof;

"**electronic**" shall have the meaning given to it in the Electronic Transactions Law (as amended) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefore;

"**electronic communication**" means transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than two-thirds of the vote of the Board;

"**Emerging Market**" means the emerging market board of GreTai Securities Market in Taiwan;

"**GreTai Securities Market**" means the GreTai Securities Market in Taiwan;

"**Indemnified Person**" has the meaning given thereto in Article 151;

"**Independent Director**" means a director who is an independent director as defined in the Applicable Listing Rules;

"**Law**" means the Companies Law of the Cayman Islands (as amended);

"**Memorandum of Association**" means the memorandum of association of the Company, as amended or substituted from time to time;

"**Merger**" means the merging of two or more Constituent Companies and the vesting of their undertaking, property and liabilities in one of such company as the Surviving Company within the meaning of the Law;

"**Office**" means the registered office of the Company as required by the Law;

"**Ordinary Resolution**" means a resolution passed by a simple majority of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general

meeting of the Company which general meeting is attended by Shareholders representing more than an aggregate of one-half of all Shares issued by the Company and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled;

"**paid up**" means paid up as to the par value and any premium payable in respect of the issue of any Shares and includes credited as paid up;

"**Person**" means any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;

"**preferred Shares**" has the meaning given thereto in Article 10;

"**Register**" means the register of members of the Company required to be kept pursuant to the Law;

"**Realized Capital Reserve**" and "**Capital Reserve**" means the share premium account, income from endowments received by the Company, capital redemption reserve, profit and loss account and other reserves generated in accordance with generally accepted accounting principles.;

"**Republic of China**" or "**Taiwan**" means the Republic of China, its territories, its possessions and all areas subject to its jurisdiction;

"**Retained Earnings**" means, in respect of Article 34, all legal or special reserves of the earnings and the undistributed earnings, while excluding those has been resolved by the Board or the general meeting to be distributed to the Shareholders;

"**Seal**" means the common seal of the Company (if adopted) including any facsimile thereof;

"**Share**" means a share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;

"**Shareholder**" means a Person who is registered as the holder of Shares in the Register and includes each subscriber to the Memorandum of Association pending the issue to such subscriber of the subscriber Share or Shares;

"**Share Premium Account**" means the share premium account established in accordance with these Articles and the Law;

"**Shareholders' Service Agent**" means the agent licensed by Taiwan authorities to provide certain shareholders services in accordance with the Applicable Listing Rules to the Company;

"**signed**" means bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the

electronic communication;

“**Special Resolution**” means a special resolution of the Company passed in accordance with the Law, being a resolution passed by a majority of not less than two-thirds of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled.

“**Spin-off**” refers to an act wherein a transferor company transfers all of its independently operated business or any single independently operated business to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to issue new shares to the transferor company or to shareholders of the transferor company;

“**Supermajority Resolution Type A**” means a resolution passed by Shareholders, as being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, such Shareholders holding not less than half of the Shares held by all Shareholders attending that meeting, and such meeting is attended by Shareholders holding not less than two-thirds (2/3) of all issued Shares of the Company;

“**Supermajority Resolution Type B**” means where the Shareholders attending to the general meeting are holding less than two-thirds (2/3) of all issued Shares of the Company entitled to vote thereon as required under the Supermajority Resolution Type A, a resolution passed by Shareholders, as being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, such Shareholders holding not less than two-thirds (2/3) of the Shares held by all Shareholders attending that meeting, and such meeting is attended by Shareholders holding not less than half of all issued Shares of the Company;

“**Surviving Company**” means the sole remaining Constituent Company into which one or more other Constituent Companies are merged within the meaning of the Law; and

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

2. In these Articles, save where the context requires otherwise:
  - (a) words importing the singular number shall include the plural number and vice versa;
  - (b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;
  - (c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
  - (d) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;

(e) reference to any determination by the Directors shall be construed as a determination by the Directors in their absolute discretion and shall be applicable either generally or in any particular case; and

(f) reference to "in writing" shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing or partly one and partly another.

3. Subject to the last two preceding Articles, any words defined in the Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

#### PRELIMINARY

4. The business of the Company may be commenced at any time after incorporation.

5. The Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.

6. The preliminary expenses incurred in the formation of the Company and in connection with the issue of Shares shall be paid by the Company. Such expenses may be amortised over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.

7. The Directors shall keep, or cause to be kept, the Register at such place as the Directors may from time to time determine and, in the absence of any such determination, the Register shall be kept at the Office.

7-1 The management of the Company's business shall comply with the laws, regulations, and business ethics, and may adopt actions that promote public interests to fulfill its social responsibilities.

#### SHARES

8. Subject to these Articles, all Shares for the time being unissued shall be under the control of the Directors who may :

(a) issue, allot and dispose of the same to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine; and

(b) grant options with respect to such Shares and issue warrants or similar instruments with respect thereto;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued.

9. The Directors may authorise the division of Shares into any number of Classes and the different Classes shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different Classes (if any) shall be fixed and determined by the Directors.
10. The Company may issue Shares with rights which are preferential to those of ordinary Shares issued by the Company (“**preferred Shares**”) with the approval of a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors and with the approval of a Special Resolution. Prior to the issuance of any preferred Shares approved pursuant to this Article 10, these Articles shall be amended to set forth the rights and obligations of the preferred Shares, including but not limited to the following terms, and the same shall apply to any variation of rights of preferred Shares:
- (a) order, fixed amount or fixed ratio of allocation of Dividends and bonus on preferred Shares;
  - (b) order, fixed amount or fixed ratio of allocation of surplus assets of the Company;
  - (c) order of or restriction on the voting right(s) (including declaring no voting rights whatsoever) of preferred Shareholders;
  - (d) other matters concerning rights and obligations incidental to preferred Shares; and
  - (e) the method by which the Company is authorized or compelled to redeem the preferred Shares, or a statement that redemption rights shall not apply.
11. The issue of new Shares of the Company shall be approved by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors. The issue of new Shares shall at all times be subject to the sufficiency of the authorised capital of the Company. For as long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, the Company shall not issue share certificates and upon each issuance of new Shares, the Company shall within 30 days from the completion date of issuance of such Shares cause its Shareholders’ Service Agent to enter the name of the Shareholder in the Register and to effect the Book-Entry Transfer in the Shareholder’s account with the Depository. The Company shall make a public announcement in accordance with the Applicable Listing Rules prior to the Book-Entry Transfer. When the Shareholder delays the payment, the Company shall set a deadline of more than one month and urge the Shareholder to pay. However, if the Company sets a payment period of more than one month,

and if the Shareholder fails to pay the share payment after the due date, then the Shareholder loses the rights and the Company needs not to make the aforementioned reminder procedure.

12. The Company shall not issue any unpaid Shares or partly paid-up Shares. The Company shall not issue shares in bearer form.
13. Upon each issuance of new Shares, the Directors may reserve a specified percentage of the new Shares for subscription by the employees of the Company who are determined by the Board in its reasonable discretion, and such employees may include the employees of the Company's subsidiary(ies) who meet certain qualification requirements.
14. For so long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, unless otherwise resolved by the Shareholders in general meeting by Ordinary Resolution, if at anytime the Board resolves to issue any new Share, the Company shall, after reserving the portion of Shares for subscription by its employees and for public offering in Taiwan pursuant to Article 13 and Article 16 respectively, first offer such remaining new Shares by a public announcement and advise, by a written notice to each then Shareholder, to subscribe for the new Shares with preemptive right, in proportion respectively to their original shareholding and shall state in the notice that if any Shareholder fails to subscribe for new Shares, his right shall be forfeited. Where a fractional percentage of the original Shares being held by a Shareholder is insufficient to subscribe for one new Share, the fractional percentages of the original Shares being held by several Shareholders may be combined for joint subscription of one or more integral new Shares or for subscription of new Shares in the name of a single Shareholder. New shares left unsubscribed by such Shareholders may be open for public issuance or for subscription by specific person or persons through negotiation.
15. The Shareholders' pre-emptive right prescribed under Article 14 shall not apply in the event that new Shares are issued due to the following reasons or for the following purpose:
  - (a) in connection with a Merger with another company, or the Spin-off of the Company, or pursuant to any reorganization of the Company;
  - (b) in connection with meeting the Company's obligation under Share subscription warrants, options, other rights and/or Restricted Shares;
  - (c) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to acquire Shares; or
  - (d) in connection with meeting the Company's obligation under preferred Shares vested with rights to acquire Shares or with a redemption of Shares by the Company.

16. Where the Company increases its capital by issuing new Shares in Taiwan, the Company shall allocate 10 percent of the total amount of the new Shares to be issued, for offering in Taiwan to the public unless it is not necessary or appropriate, according to the Applicable Listing Rules, for the Company to conduct the aforementioned public offering. Provided however, if a percentage higher than the aforementioned 10 percent is resolved by a general meeting to be offered, the percentage determined by such resolution shall prevail.
17. The Company may, upon resolution by a majority votes at a meeting of the Board of Directors attended by two-thirds or more of the Directors, adopt one or more employee incentive programmes pursuant to which shares, options, warrants, or other similar instruments to acquire Shares may be granted to employees of any Affiliated Company to subscribe for Shares. The shares, options, warrants, or other similar instruments to acquire Shares granted to any employee under any employee stock option plan shall be non-transferable, except to the heirs of the employees.
- 17-1 Subject to the Law and Applicable Listing Rules, the Company may issue restricted Shares (the “Restricted Shares”) to the employees of the Company or its subsidiaries by Special Resolution. The issuance of Restricted Shares will not be subject to Articles 14 and 15. The terms of issuance of the Restricted Shares, including but not limited to the issuance amount, issuance prices, issuance conditions and other related matters shall be subject to the Applicable Listing Rules. If employees do not meet the vesting conditions, the Company may repurchase Restricted Shares issued to employees according to Article 33.

#### MODIFICATION OF RIGHTS

18. Whenever the capital of the Company is divided into different Classes the rights attached to any such Class may (unless otherwise provided by the terms of issue of the Shares of that Class) only be materially adversely varied or abrogated by :
  - (a) a Special Resolution; and
  - (b) with the sanction of a resolution passed at a separate meeting of the holders of the Shares of such Class by a majority of two-thirds of the votes cast at such a meeting.

To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply, except that the necessary quorum shall be one or more Persons holding or representing by proxy more than one-half of the issued Shares of the relevant Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Shareholders who are present shall form a quorum) and that, subject to the terms of issue of the Shares of that Class, every Shareholder of the Class shall on a poll have one vote for each Share of the Class held by him.



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

#### CERTIFICATES

20. The Company shall not issue Share certificates to Shareholders in respect of any Shares and the Register shall be prima facie evidence of the entitlement of a person to Shares recorded against his name. Notwithstanding the foregoing, subject to the approval of the Board, Share certificates may be issued to a Shareholder upon request. Every Share certificate shall be issued under the Seal or a facsimile thereof and shall specify the name of the Shareholder, the number and class and distinguishing numbers (if any or if required by the Law) of the Shares to which it relates, and the amount paid up thereon and may otherwise be in such form as the Directors may from time to time determine. No certificate shall be issued representing Shares of more than one class nor will be issued in bearer form. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates (or certificates in respect of other securities) need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon or that such certificates need not be signed by any person.

#### FRACTIONAL SHARES

21. Subject to these Articles, the Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

#### TRANSFER OF SHARES

22. Subject to the Law, Shares issued by the Company shall be freely transferable, provided that any Shares reserved for issuance to the employees of the Company may be subject to transfer restrictions for a period of not more than two years. To the extent permitted by the Law, transfers may be made by way of book entry by the local securities agent. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Register in respect thereof.

23. The instrument of transfer of any Share shall be in any usual or common form or such other form as the Directors may, in their absolute discretion, approve, or in any form as prescribed by the TSE during the period where the Shares of the Company are listed on the TSE, and be executed by or on behalf of the transferor and if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register in respect of the relevant Shares.
24. The Board may decline to register any transfer of any Share unless:
- (a) the instrument of transfer is lodged with the Company, accompanied by the certificate (if any) for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
  - (b) the instrument of transfer is in respect of only one class of Shares; or
  - (c) the instrument of transfer is properly stamped, if required.
- This Article shall not be applicable for as long as the Shares of the Company are listed on the TSE.
25. The registration of transfers may be suspended when the Register is closed in accordance with Article 40.
26. All instruments of transfer that are registered shall be retained by the Company, but any instrument of transfer that the Directors decline to register shall (except in any case of fraud) be returned to the Person depositing the same.

#### TRANSMISSION OF SHARES

27. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased survivor, shall be the only Person recognised by the Company as having any title to the Share.
28. Any Person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder shall upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself to make such transfer of the Share as the deceased or bankrupt Person could have made. If the person so becoming entitled shall elect to be

registered himself as holder he shall deliver or send to the Company a notice in writing signed by him stating that he so elects, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the deceased or bankrupt Person before the death or bankruptcy.

29. A Person becoming entitled to a Share by reason of the death or bankruptcy of a Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company; provided however, that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

#### ALTERATION OF SHARE CAPITAL

30. The Company may from time to time by Ordinary Resolution:
- (a) increase the share capital by such sum, to be divided into Shares of such Classes and amount, as the resolution shall prescribe;
  - (b) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;
  - (c) convert all or any of its paid up Shares into stock and reconvert that stock into paid up Shares of any denomination;
  - (d) subdivide its existing Shares, or any of them into Shares of a smaller amount; and
  - (e) cancel any Shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled.
31. (a) Subject to the Law, the Company may also by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by the Law. Except as otherwise provided by Cayman Company Law or applicable listing rules, the reduction of capital shall be reduced by proportion to the shares held by the shareholders.
- (b) When the Company reduces its capital, it can use its property other than cash to refund the shares; the property and the amount of the refund shall be determined by the general meeting and approved by the Shareholders receiving the property.

(c) When the Shares are traded on the Emerging Market, the GreTai Securities Market, or TSE, the value of the property referred to in the preceding paragraph shall be submitted by the Board of Directors to an accountant of the Republic of China for verification before the general meeting.

#### REDEMPTION OR REPURCHASE OF SHARES

32. Subject to the Law, the Applicable Listing Rules and these Articles, the Company may issue Shares on terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the Shareholder on such terms and in such manner as the Company may by Special Resolution, before the issue of such Shares, determine; provided that payment in respect of the redemption of its own Shares shall be made in a manner authorised by the applicable laws, including out of its profits or the proceeds of a fresh issue of Shares.
33. Subject to the Law, the Applicable Listing Rules and these Articles, and upon the approval of a majority of the Directors present at a Board meeting attended by two-thirds or more of Directors, the Company may repurchase its own Shares for maintaining the Company's credit and shareholders' equity and transferring Shares to the employees. The Shares so repurchased shall be transferred to the Company's employees, and such employees may include the employees of the Company's subsidiary(ies) who meet certain qualification requirements, within three years, and any repurchased shares which have not been transferred by then shall be deemed cancelled immediately. If employees do not meet the vesting conditions set forth in the issuance regulation, the Company may repurchase Restricted Shares issued to employees.
34. The number of Shares repurchased by the Company pursuant to the preceding Article 33 shall not exceed 10 percent of the total number of issued Shares of the Company. The total price of the Shares so repurchased shall not exceed the sum of Retained Earnings plus the amount of the Share Premium Account plus the amount of the Realized Capital Reserve.
35. The Directors or managerial officers of the Company, or their spouse, minor children, or any other persons who hold the Shares for the benefit of the Directors, officers, their spouses or minor children, shall not sell or otherwise transfer their Shares during the period when the Company is repurchasing its own Shares.
36. The resolution for the redemption or repurchase of the Shares by the Company and the implementation thereof shall be reported in the most recent general meeting no matter whether the Company redeems or repurchases the Shares so resolved.
37. Any of the Company's own Shares shall not be entitled to receive any payment of dividend or any distribution from the assets of the Company (including any asset distribution to the

Shareholders as a result of liquidation of the Company), whether in the form of cash or otherwise.

38. The redemption or repurchase of any Share shall not be deemed to give rise to the redemption or repurchase of any other Share.
39. Subject to the Law and the Applicable Listing Rules, the Directors may when making payments in respect of redemption or repurchase of Shares, if authorised by the terms of issue of the Shares being redeemed or repurchased or with the agreement of the holder of such Shares, make such payment either in cash or in specie.

#### CLOSING REGISTER OR FIXING RECORD DATE

40. For the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at any meeting of Shareholders or any adjournment thereof, or those Shareholders that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Shareholder for any other purpose, the Directors may provide that the Register shall be closed for transfers for a stated period. For so long as the Shares are registered in the Emerging Market or listed in the GreTai Securities Market or TSE, the Register shall be closed at least for a period of 60 days, 30 days and 5 days immediately before the date of each annual general meeting, each extraordinary general meeting and the record date for the distribution of dividends and bonus or other interests respectively. For the purpose of calculating the abovementioned periods, the period of notice shall commence from the day on which the meeting is to be held (inclusive) or from the record date for the distribution of dividends and bonus or other interests respectively (inclusive), as the case may be.
41. Apart from closing the Register, the Directors may fix in advance a date as the record date for any such determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of the Shareholders and for the purpose of determining those Shareholders that are entitled to receive payment of any dividend. In the event the Directors designate a record date in accordance with this Article 41, such record date shall be a date prior to the general meeting and the Directors shall immediately make a public announcement on the website designated by the Commission and the GreTai Securities Market or TSE pursuant to the Applicable Listing Rules.

#### GENERAL MEETINGS

42. All general meetings other than annual general meetings shall be called extraordinary general meetings.

43. The Board may, whenever they think fit, convene a general meeting of the Company; provided that the Company shall in each year hold a general meeting as its annual general meeting within 6 months after close of each fiscal year and shall specify the meeting as such in the notices calling it.
44. At these meetings the report of the Directors (if any) shall be presented. For so long as the Shares are registered in the Emerging Market or listed in the GreTai Securities Market or TSE, all general meetings shall be held at such time and place as may be determined by the Board in Taiwan. If the Directors resolve to hold a general meeting outside Taiwan, the Company shall apply for the approval of the GreTai Securities Market (or the TSE, if applicable) thereof within 2 days after the Board of Directors adopts such resolution or after the approval of relevant authorities for Shareholders to convene the general meeting. Where a general meeting is to be held outside Taiwan, the Company shall engage a Shareholders' Services Agent to handle the administration of Shareholder voting matters for such general meeting.
45. General meetings shall also be convened on the requisition in writing of any Shareholder or Shareholders entitled to attend and vote at general meetings of the Company holding at least 3 percent of the paid up voting share capital of the Company for a period of one year or a longer time deposited at the Office or the Shareholders' Service Agent specifying the objects of the meeting and requesting the Board to convene the general meeting, and if the Board does not duly proceed to convene such meeting for a date not later than 15 days after the date of such deposit, the proposing Shareholder(s) may, after obtaining the approval of relevant authorities, convene an extraordinary general meeting at such time and place he thinks fit by sending out a notice of general meeting in accordance with these Articles. The Board will not be required to prepare the manual referred to in Article 48 where a general meeting is convened by Shareholder(s), and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors to convene the general meeting shall be reimbursed to them by the Company.
- Any Shareholder holding a majority of the Company's total number of issued Shares for at least three consecutive months may convene an extraordinary general meeting. The calculation of the holding period and the number of shares held during this period shall be determined by reference to the Register closing date.

#### NOTICE OF GENERAL MEETINGS

46. At least 30 and 15 days' notices in writing shall be given for any annual and extraordinary general meetings, respectively. The notice period shall be exclusive of the day on which it is given and of the day of the meeting. Every notice shall specify the place, the day and the hour of the meeting and the general nature of the business. The notice for a general meeting

may be given by means of electronic communication if the Company obtains prior consent by the individual recipients.

47. The following matters shall be specified and described in the notice of a general meeting, and shall not be proposed as ad hoc motions. The main contents of the notice may be posted on the website designated by Taiwan securities authorities, with such website indicated in the notice:

- (a) election or discharge of Directors;
- (b) amendments to these Articles;
- (c) reduction of capital;
- (d) application for de-registration as a public company;
- (e) dissolution, Merger, share exchange or Spin-off of the Company;
- (f) entering into, amendment to, or termination of any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;
- (g) the transfer of the whole or any material part of its business or assets; and
- (h) taking over another's whole business or assets, which will have a material effect on the business operation of the Company;
- (i) carrying out private placement of its securities;
- (j) granting waiver to the Director's engaging in any business within the scope of business of the Company;
- (k) distributing part or all of its dividends or bonus by way of issuance of new Shares; and
- (l) distributing the Statutory Reserve or Capital Reserve derived from share premiums or endowments, by issuance of new Shares or cash, to the original Shareholders .

Subject to the Law and these Articles, the Shareholders may propose matters in a general meeting to the extent of matters as described in the agenda of such meeting.

48. For so long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, the Company shall prepare a manual for each general meeting. The manual shall be published on the website designated by the Commission and the GreTai Securities Market or TSE pursuant to the Applicable Listing Rules at least 21 days prior to the date of the relevant annual general meeting or 15 days prior to the date of the relevant extraordinary general meeting. Such manual shall also be distributed to the Shareholders attending the relevant general meeting in person, by proxy or by corporate representative(s) (where the Shareholder is a corporation) at such general meeting.

## PROCEEDINGS AT GENERAL MEETINGS

49. No business shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business. Save as otherwise provided by these Articles, the holders of Shares being more than an aggregate of one-half of all Shares in issue present in person or by proxy and entitled to vote shall be a quorum for all purposes.
50. Shareholder(s) holding one percent or more of the total number of issued Shares immediately prior to the relevant Register close period may propose in writing or by electronic submission to the Company a proposal for discussion at a general meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. The following procedures shall apply for making such proposals:
- (a) Prior to the date of the relevant Register close period, the Company shall, in accordance with the Applicable Listing Rules, provide a public notice announcing the place and the period for Shareholders to submit proposals to be discussed at the general meeting. The period for accepting such proposals shall be at least 10 days.
  - (b) The number of words of a proposal to be submitted by a Shareholder shall be limited to not more than 300 words, and any proposal containing more than 300 words shall not be included in the agenda of the general meeting. The Shareholder who has submitted a proposal shall attend, in person or by a proxy, the general meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.
  - (c) Under any of the following circumstances, the Directors of the Company may exclude the proposal submitted by a Shareholder from the list of proposals to be discussed at the general meeting:
    - i) Where the subject (the issue) of the said proposal cannot be settled or resolved by a resolution to be adopted at a general meeting;
    - ii) Where the number of Shares of the Company in the possession of the Shareholder making the said proposal is less than one percent of the total number of issued Shares date of the relevant Register close period; or
    - iii) Where the said proposal is submitted on a day beyond the deadline fixed and announced by the Company for accepting shareholders' proposals.
  - (d) Where the said proposal is a recommendation for the purpose of urging the Company to promote public interests or fulfill its corporate social responsibilities, the Directors may include such proposal in the list of proposals to be discussed at the general meeting.



(e) The Company shall, prior to preparing and delivering the notice of the general meeting, inform in writing all the Shareholders who have submitted proposals pursuant hereto about the proposal screening results, and shall list in the said notice the proposals conforming to the requirements as set out in this Article. With regard to the proposals submitted by Shareholders but not included in the agenda of the general meeting, the cause of exclusion of such proposals and explanation shall be made by the Directors at the general meeting to be convened.

51. The chairman, if any, of the Board of the Directors shall preside as chairman at every general meeting of the Company convened by the Board of the Directors. For a general meeting convened by any other person having the convening right, such person shall act as the chairman of that meeting; provided that if there are two or more persons jointly having the convening right, the chairman of the meeting shall be elected from those persons.
52. If there is no such chairman, or if at any general meeting he is not present within 15 minutes after the time appointed for holding the meeting or is unwilling to act as chairman, any Director nominated by the Directors shall preside as chairman, failing which the Shareholders present shall choose any Person present to be chairman of that meeting.
53. The chairman may by Ordinary Resolution (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting, or adjourned meeting, is adjourned for more than 5 days, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
54. At any general meeting a resolution put to the vote of the meeting shall be decided on a poll. The number or proportion of the votes in favour of, or against, that resolution shall be recorded in the minutes of the meeting.
55. Unless otherwise expressly required by the Law or these Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Shareholders at any general meeting may be passed by an Ordinary Resolution.
56. In the case of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote.
57. The Company shall by a Supermajority Resolution Type A or, in lieu thereof, if the total number of Shares represented at the general meeting is not sufficient to constitute a quorum for Supermajority Resolution Type A, a Supermajority Resolution Type B:

- (a) enter into, amend, or terminate any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;
- (b) transfer the whole or any material part of its business or assets;
- (c) take over the transfer of another's whole business or assets, which will have a material effect on the business operation of the Company;
- (d) subject to the Law, effect any Spin-off of the Company in accordance with the Applicable Listing Rules;
- (e) carry out private placement of its securities;
- (f) distribute part or all of its dividends or bonus by way of issuance of new Shares;
- (g) grant of waiver to a Director's engaging in any business within the scope of the Company's business;
- (h) issuance of Restricted Shares.
- (i) amend the Articles;
- (j) where the amendment to the Articles may adversely affect the rights of preferred Shareholders, such amendment shall be approved at a general meeting of preferred Shareholders.
- (k) Acquisition or share exchange.

57-1 Approval by Shareholders representing two-thirds or more of the total number of issued Share is needed to allow the Company to participate in such an event where the Company's listing on the TSE will be terminated pursuant to its dissolution from Merger, complete transfer of its business or assets, share exchange or Spin-off, and where the Surviving, transferee company or newly incorporated company from such an event is not listed in the GreTai Securities Market or TSE.

58. The Company shall, by a Special Resolution, effect

- (A) any Merger of the Company in accordance with the Applicable Listing Rules and the Law;
- (B) any change of the Company's name.

59. Subject to the Law, with regard to the dissolution procedures of the Company, the Company shall pass:

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

(b) a Special Resolution, if the Company resolves that it be wound up voluntarily for reasons other than the reason stated in Article 59(a) above.

60. (A) In the event any of the resolutions with respect to the paragraph (a), (b), or (c) of Article 57 is adopted by general meeting, any Shareholder who has notified the Company in writing of his objection to such proposal prior to such meeting and subsequently raised his objection at the meeting may in writing request the Company to repurchase all of his Shares at the then prevailing fair price within 20 days after the adoption of the resolution by the general meeting stating the kinds and number of Shares owned; provided, however, that no Shareholder shall have the above-mentioned appraisal right if the general meeting resolves on the dissolution of the Company after the completion of transfer of business or assets pursuant to paragraph (b) of Article 57.
- (B) In the event of the Company's business is Spun Off, involved in any Merger, acquisition or share exchange pursuant to paragraph (d) and (k) of Article 57 or Article 58 (A) respectively, the Shareholder, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the general meeting, may in writing request the Company to repurchase all of his Shares at the then prevailing fair price within 20 days after the adoption of the resolution by the general meeting stating the kinds and number of Shares owned.
- (C) In the event the price of the Shares repurchase mentioned in Article 60(A) or Article 60(B) is negotiated between the Company and the selling Shareholder, the Company shall repurchase the Shares within 90 days after it reaches a repurchase agreement with the Shareholder. In the event that no repurchase agreement is reached, the Company shall, within 90 days from the date of the resolution, pay the price which it deems to fair to the Shareholder who has not reached a repurchase agreement; if the company fails to pay the price, it shall be deemed that it agrees with the price requested by the Shareholder. In the event the Company fails to reach a repurchase agreement with the Shareholder within 60 days after the resolution date, the Shareholder may, within 30 days after such 60-day period, take all the Shareholders who have not reached a repurchase agreement as the counterpart and file a petition to any competent court of Taiwan for a ruling on the appraisal price, and to the extent such ruling by the Taiwan court is capable of recognition and enforcement outside Taiwan, such ruling by such Taiwan court shall be binding and conclusive as between the Company and requested Shareholder solely with respect to the appraisal price.

## VOTES OF SHAREHOLDERS

61. Subject to any rights and restrictions for the time being attached to any Share, every Shareholder and every Person representing a Shareholder by proxy shall have one vote for each Share of which he or the Person represented by proxy is the holder.
62. No vote may be exercised with respect to any of the following Shares nor may the following Shares be counted in the quorum of Shareholders present at the general meeting nor be counted in determining the number of votes of the Shareholders present at the said meeting:
  - (a) the Shares held by any subsidiary company of the Company, where the total number of voting shares or total shares equity held by the Company in such a subsidiary represents more than one-half of the total number of voting shares or the total shares equity of such a subsidiary; or
  - (b) the Shares held by another company, where the total number of the shares or total shares equity of that company held by the Company and its subsidiaries directly or indirectly represents more than one-half of the total number of voting shares or the total share equity of such a company.
63. In the case of joint holders, the joint holders shall select among them a representative for the exercise of their shareholder's rights and the vote of their representative who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders.
64. A Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote by his committee, or other Person in the nature of a committee appointed by that court, and any such committee or other Person, may vote by proxy.
65. To the extent required by the Applicable Listing Rules, any Shareholder who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a general meeting shall abstain from voting in respect of all the shares that such Shareholder should otherwise be entitled to vote in person, as a proxy or corporate representative with respect to the said matter, and such Shares shall not be counted in the number of votes of Shareholders present at the meeting, but all such Shares shall be counted in the number of votes present at the general meeting when calculating the quorum. The aforementioned Shareholder shall also not vote on behalf of any other Shareholder.
66. The votes may be exercised in writing or by way of electronic transmission if such method for exercising the votes has been described in the notice of the general meeting; provided

however that in the event the general meeting is to be held outside Taiwan, the Company shall specify in the notice of the general meeting that the votes may be exercised in writing or by way of electronic transmission. ■

67. A Shareholder who exercises his or her votes in writing or by way of electronic transmission as set forth in the preceding Article 66 shall be deemed to have appointed the chairman of the general meeting as his or her proxy to exercise his or her voting right at such general meeting in accordance with the instructions stipulated in the written or electronic document, but shall be deemed to have waived his votes in respect of any ad hoc motions and the amendments to the contents of the original proposals at such general meeting; provided, however, that such appointment shall be deemed not to constitute the appointment of a proxy for the purposes of the Applicable Listing Rules. The chairman, acting as proxy of a Shareholder, shall not exercise the voting right of such Shareholder in any way not stipulated in the written or electronic document.
68. A Shareholder shall submit his or her vote by way of written ballot or electronic transmission pursuant to Article 66 to the Company no later than the second (2<sup>nd</sup>) day prior to the scheduled meeting date of the general meeting; whereas if two (2) or more such written ballot or electronic transmission are submitted to the Company, the proxy deemed to be given to the chairman of the general meeting pursuant to Article 67 by the first written ballot or transmission shall prevail unless it is expressly included in the subsequent vote by written ballot or electronic transmission that the original vote submitted by written ballot or electronic transmission be revoked.
69. In case a Shareholder who has submitted his votes by written ballot or electronic transmission intends to attend the general meeting in person, he shall, at least two (2) days prior to the date of the meeting revoke such vote by written ballot or electronic transmission and such revocation shall constitute a revocation of the proxy deemed to be given to the chairman of the general meeting pursuant to Article 67. If a Shareholder who has submitted his or her vote in writing or by way of electronic transmission pursuant to Article 66 does not submit such a revocation before the prescribed time, his or her vote by written ballot or electronic transmission and the proxy deemed to be given to the chairman of the general meeting pursuant to Article 67 shall prevail. If a Shareholder has submitted his or her vote in writing or by way of electronic transmission pursuant to Article 66, and has subsequently submitted a proxy appointing a person as his or her proxy to attend the general meeting on his or her behalf, the subsequent appointment of that person as his or her proxy shall be deemed to be a revocation of such Shareholder's deemed appointment of the chairman of the general meeting as his or her proxy pursuant to Article 67 and the vote casted by that person subsequently appointed as his or her proxy shall prevail.

70. (A) The proceedings regarding general meetings and voting at general meetings which are not provided for in these Articles shall be governed by the Rules Governing the Conduct of the General Meetings of the Company and the Applicable Listing Rules, as adopted and amended by way of Ordinary Resolution from time to time, which shall be in compliance with the Law and the Applicable Listing Rules.

(B) In case the procedure for convening a general meeting of Shareholders or the method of adopting resolutions is in violation of the Law, Applicable Listing Rules or these Articles, a Shareholder may, within 30 days from the date of the resolution, submit a petition to the Taipei District Court of Taiwan as the court of jurisdiction and first instance or the courts of the Cayman Islands for an appropriate remedy. To the extent that the ruling on the petition of the Taipei District Court is capable of enforcement and recognition outside Taiwan, such ruling shall be binding and conclusive on the Company.

#### PROXY SOLICITATION

71. A Shareholder may appoint a proxy to attend a general meeting on his behalf by executing a proxy form prepared by the Company stating therein the scope of power authorized to the proxy. A Shareholder may only execute one proxy form and appoint one proxy for each general meeting, and shall serve such written proxy to the Company no later than 5 days prior to the meeting date. In case the Company receives two or more written proxies from one Shareholder, the first one arriving at the Company shall prevail unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

72. The instrument appointing a proxy shall be in the form approved by the Board and be expressed to be for a particular meeting only. The proxy form 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 Shareholder, proxy solicitor/recipient and proxy solicitation agent (if any). The proxy form shall be provided to the Shareholders together with the relevant written or electronic notice for the relevant general meeting, and such written or electronic notice and proxy materials shall be distributed to all Shareholders on the same day.

73. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Shareholder.

74. Except for trust enterprises or Shareholders' Service Agencies approved by Taiwan competent authorities or as otherwise specified under these Articles, when a person who acts as the proxy for two or more Shareholders, the number of votes represented by him shall not exceed 3

percent of the total number of votes of the Company and the portion of excessive votes represented by such proxy shall not be counted.

75. For so long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, all matters concerning proxies and/or the solicitation of proxies by a solicitor relating to the Shares of the Company shall comply with all Applicable Listing Rules, whether or not expressly provided for in these Articles.

#### CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

76. Any corporation which is a Shareholder or a Director may by resolution of its directors or other governing body authorise such Person as it thinks fit to act as its representative at any meeting of the Company or of any meeting of holders of a Class or of the Board of Directors or of a committee of Directors, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder or Director. Any corporation which is a Shareholder may replace such representative from time to time.

#### DIRECTORS

77. (A) Unless otherwise determined by the Company in general meeting, prior to the shares of the Company are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, the number of Directors shall be no less than seven Directors, the exact number of Directors to be determined from time to time solely by an Ordinary Resolution of the general meeting. The Directors shall be elected or appointed in the first place by the subscribers to the Memorandum of Association or by a majority of them. A Director shall not be required to hold any Shares of the Company by way of qualification.
- (B) Where the Company's Shares are listed on the TSE, except as otherwise permitted under the relevant regulations governing public companies, the Board shall have at least 2 Independent Directors, which shall constitute no less than one-fifth of the Board of Directors. Subject to the relevant regulations governing public companies, at least one Independent Director shall have domicile in Taiwan. All Independent Directors shall possess expertise and specialized knowledge, shall maintain their independence in performing their duties as Independent Directors, and shall not in any way be directly or indirectly have a conflict of interest with the Company on any matter. All Independent Directors be fully satisfy the qualification requirements for Independent Directors under the Applicable Listing Rules and Taiwan's securities regulations, including but not limited to requirements or restrictions on expertise, shareholding, concurrent employment, and independence criteria.

(C) Where the number of Independent Directors on the Board falls below the minimum number required by these Articles, the Company shall hold a by-election for Independent Directors at the next following general meeting. Where all of the Independent Directorships become vacant, within 60 days of the occurrence of such shortfall, an extraordinary general meeting of Shareholders to elect succeeding Independent Directors to fill the vacancies shall be held.

78. (A) The general meeting of the Shareholders may appoint any natural or legal Person to be a Director; provided however that more than half of the Directors shall not, as among them, have spousal relationship or familial relationship within the second degree of kinship.

(B) Where the Directors elected in the general meeting do not meet the condition set forth in Article 78(A), the election of the Director receiving the lowest number of votes among those not meeting the said condition shall be deemed null and void.

(C) When a person serving as Director is in violation of Article 78(A), that person shall be subject to ipso facto dismissal through the mutatis mutandis application of Article 78(B).

(D) When the number of Directors falls below 5 due to the dismissal of a Director for any reason, the Company shall hold a by-election for Directors at the next following general meeting.

(E) When the number of vacancies in the Board equals to one-third of the total number of Directors, the Board of Directors shall hold, within 60 days of the occurrence of such shortfall, an extraordinary general meeting of Shareholders to elect succeeding Directors to fill the vacancies.

79. At a general meeting for election of Directors, the number of votes exercisable in respect of one Share shall be the same as the number of Directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director so elected. The authorized representative of a Shareholder may be elected as a Director, and if there is a plural number of such authorized representatives, each of them may be so elected.

80. The Directors may adopt a candidate nomination mechanism and promulgate the relevant rules and procedures of such candidate nomination mechanism pursuant to the Applicable Listing Rules. The appointment of Directors, Independent Directors shall be done in accordance with the candidate nomination mechanism of the Applicable Listing Rules.

81. Subject to these Articles, the term for which a Director will hold office shall not exceed 3 years; thereafter he/she may be eligible for re-election. In case no election of new Directors



is effected after expiration of the term of office of the existing Directors, the term of office of such Directors shall be extended until the time new Directors are elected and assume their office.

82. A Director may be discharged at any time by a Supermajority Resolution Type A or a Supermajority Resolution Type B. If a Director is discharged during the term of his/her office as a director without good cause, such Director may make a claim against the Company for any and all damages sustained by him/her as a result of such discharge.
- 82-1 In the event that the general meeting elects all Directors before the expiration of the term of office of the Directors, if no resolution is made that the Directors shall be discharged upon the expiration of the term of office, it shall be deemed as early discharge.

The election referred to in the preceding paragraph shall be attended by Shareholders representing more than half of the total number of issued Shares of the Company.

83. The Board of Directors shall have a Chairman (the “**Chairman**”) elected and appointed by a majority of the Directors present at the Board meeting the quorum of which shall be two-thirds of all of the Directors then in office. The period for which the Chairman will hold office will also be determined by a majority of the Directors present at the Board meeting with a quorum of at least two-thirds of all of the Directors then in office. The Chairman shall preside as chairman at every meeting of the Board, and shall represent the Company in all external affairs. To the extent the Chairman is not present at a meeting of the Board of Directors within fifteen minutes after the time appointed for holding the same, the attending Directors may choose one of their number to be the chairman of the meeting.
84. The Board may, from time to time, and except as required by the applicable laws and Applicable Listing Rules, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives, which shall be intended to set forth the policies of the Company and the Board on various corporate governance related matters as the Board shall determine by resolution from time to time.
85. A Director shall not be required to hold any Shares in the Company by way of qualification.
- 85-1 The qualification, assembly, election, removal, exercise of powers and other matters to be followed by Directors, Independent Directors, and Audit Committee shall be in accordance with the Securities and Exchange Act of Taiwan.

## DIRECTORS' REMUNERATION AND EXPENSES

86. The Directors shall be authorized and delegated the power to set remuneration for all Directors. Director's remuneration shall be in accordance with their involvement to the operation of the Company, their contribution to the Company, and Taiwan and international standards in the industry. Each Director shall be entitled to be repaid or prepaid all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by him in attending meetings of the Board or committees of the Board or general meetings or separate meetings of any class of Shares or of debentures of the Company or otherwise in connection with the discharge of his duties as a Director.
87. Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in earnings or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Article.

## DIRECTOR PROXY

88. Any Director may appoint another Director to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director at a meeting or meetings of the Directors which that Director is unable to attend personally; however, no Director may act as proxy for more than one Director. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

## POWERS AND DUTIES OF DIRECTORS AND OFFICERS

89. Subject to the Law, these Articles, Applicable Listing Rules and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.
90. The Directors may appoint a Chief Executive Officer, and such additional Persons (who may or may not be Directors) as the officers of the Company as the Directors may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Law and

these Articles, and for such term and at such remuneration (whether by way of salary or commission or participation in earnings or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Any Person so appointed by the Directors may be removed by the Directors. The Directors may also appoint one or more of their number to the office of managing director upon like terms, but any such appointment shall ipso facto determine if any managing director ceases from any cause to be a Director, or if the Company by Ordinary Resolution resolves that his tenure of office be terminated.

91. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.
92. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following Articles shall not limit the general powers conferred by this Article.
93. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any Persons to be members of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any such Persons.
94. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any Person so appointed and may annul or vary any such delegation, but no Person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
95. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.
- 95-1 The Directors of the Company shall faithfully execute the business and exercise the duty of care of a good administrator, and shall be liable for damages in case of any breach of the duty. If the act is committed by himself or others, the general meeting may resolve to treat the proceeds of the act as the proceeds of the Company. The Directors of the Company shall be jointly and severally liable to the Company for damages caused to others in violation of laws and regulations in the execution of the Company's business.  
The officers of the Company shall be liable for the same damages as the Directors of the Company within the scope of his duties.

## BORROWING POWERS OF DIRECTORS

96. Subject to these Articles and Applicable Listing Rules, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

## THE SEAL

97. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or in the presence of any one (1) or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.
98. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal.

## DISQUALIFICATION OF DIRECTORS

99. A Person shall not be qualified to hold office as a Director if any of the situations set forth in (a) through (g) below applies to such Person:
- (a) committed an offence under the Organized Crime Prevention Act and has been adjudicated guilty by a final judgment, and has not started serving the sentence, has not completed serving the sentence, or the time elapsed since completion of serving the sentence, expiration of the probation, or pardon is less than 5 years;
  - (b) has been finally sentenced to imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and has not started serving the sentence, has not completed the sentence, or the time elapsed since completion of serving the sentence, expiration of the probation, or pardon is less than 2 years;
  - (c) has been adjudicated guilty by a final judgment for an offence under the Anti-Corruption Act, and has not started serving the sentence, has not completed the sentence, or the time elapsed since completion of serving the sentence, expiration of the probation, or pardon is less than 2 years;

- (d) is declared bankrupt or adjudicated of the commencement of liquidation process by a court, and having not been reinstated to his rights and privileges ;
- (e) has been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet;
- (f) loses all or part of legal capacity or dies; or
- (g) is adjudicated of the commencement of assistantship and such assistantship having not been revoked yet.

A Director shall be removed from office if any of the following applies to such Director:

- (a) is removed from office pursuant to these Articles;
- (b) resigns his office by notice in writing to the Company;
- (c) such Director (excluding Independent Director) holds Shares in the Company at the time of election and transfers, during his tenure, more than one half of the Shares held by him at the time of election, such Director shall be automatically discharged; or
- (d) such Director (excluding Independent Director) holds Shares in the Company at the time of election, and after he is elected, transfers more than one half of the Shares held by him at the time of election before assuming office, or transfers more than one half of the total number of Shares held by him during the period prior to the general meeting in which share transfer registration is suspended, the election of such Director shall become invalid.

100. Subject to the Law and Cayman Islands laws, if a Director commits, in the course of performing his duties, any act resulting in material damage to the Company or in serious violation of applicable laws and/or regulations or these Articles, but has not been removed by the Company pursuant to a Supermajority Resolution Type A or Special Resolution, then any Shareholder(s) holding 3 percent or more of the total number of issued Shares shall have the right, within 30 days after that general meeting, to submit a petition to the Taipei District Court as the court of jurisdiction in the first instance, or the courts of the Cayman Islands, for the removal of such Director. To the extent that the ruling on the petition of the Taipei District Court is capable of enforcement and recognition outside Taiwan, such ruling shall be binding and conclusive on the Company.

#### PROCEEDINGS OF DIRECTORS

101. The Directors may, upon provision of 7 days' notice (exclusive of the day on which it is given and the day of the meeting) in writing to each Supervisor and Director specifying the place, the day and the hour of meeting and the nature of business to be transacted at the meeting, meet together (either within or outside the Cayman Islands) for the dispatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Board

meetings shall be held within such period and with such frequency as may be prescribed by the Applicable Listing Rules. In the case of emergency (as defined in Taiwan Company Act), the meeting of Directors may be convened at any time. The notice for meeting of Directors may be given by means of electronic communication. A Director may, and on the requisition of a Director shall, at any time summon a meeting of the Directors. The proceedings of a meeting of Board which are not provided for in these Articles shall be governed by the internal rules of the Company.

102. Directors may participate in any meeting of the Board by means of such visual communication facilities as permit all persons participating in the meeting to see and communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.
103. The quorum necessary for the transaction of the business of the Directors shall be more than one-half of the Directors. A Director represented by proxy or by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present. Except as otherwise required under Article 104, questions arising at any meeting shall be decided by a majority of votes present at such meeting. In case of an equality of votes the chairman shall not have a second or casting vote.
104. The following actions require the approval of a majority of the votes of the Directors present at a Board meeting attended by at least two-thirds of all Directors:
  - (a) entering into, amendment to, or termination of any contract for lease of its business in whole, or for entrusted business, or for regular joint operation with others;
  - (b) the sale or transfer of the whole or any material part of its business or assets;
  - (c) taking over the transfer of another's whole business or assets, which will have a material effect on the business operation of the Company;
  - (d) the election of Chairman of the Board pursuant to these Articles;
  - (e) issuance of corporate bonds; and
  - (f) issuance of Shares as provided in Article 10.
105. A Director who is in any way, whether directly or indirectly, personally interested in a matter to be discussed at a Board Meeting, which personal interest may impair the interests of the Company, shall declare the nature of his personal interest to the Board. In the process of Merger and acquisition, the Director of the Company shall explain to the Board and the general meeting the important contents of their own interests in the Merger and acquisition transaction and the reasons for approving or opposing the Merger and acquisition resolution. Where the spouse, a blood relative within the second degree of kinship of a Director, or

any company which has a controlling or subordinate relation with a Director is interested in a matter under discussion in the meeting of the preceding paragraph, such Director shall be deemed to have a personal interest in the matter.

In the event that a Director is personally interested in a matter to be discussed at a Board meeting, and which personal interest may impair the interests of the Company, such Director shall refrain from participating in the vote or exercising voting right on such matter on behalf of another Director in said Board meeting. 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 (but shall still be counted in the quorum for such meeting).

106. A Director who does anything for himself or on behalf of another person that is within the scope of the Company's business shall declare the essential contents of such behaviour to the general meeting of the Shareholders and be approved by a Supermajority Resolution Type A or a Supermajority Resolution Type B. Failure in obtaining such approval shall cause the Director being so interested be liable to account to the Company for any profit realised by any such behaviour if the general meeting so resolves by an Ordinary Resolution within one year from such behaviour.
107. A Director may hold any other office or place of profit under the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.
108. Subject to these Articles, any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
109. The following matters proposed to be transacted by the Company shall be submitted to the Board of Directors for approval by resolution unless approval has been obtained from the competent authority in Taiwan. No resolutions put to the vote of a Board of Directors shall be passed by written resolution of Directors without a meeting. When an Independent Director has a dissenting opinion or qualified opinion on the following matters, the dissenting or qualified opinion of the Independent Director shall be noted in the minutes of the meeting of Directors:
  - (a) Adoption or amendment of the Company's internal control system;

- (b) Adoption or amendment of handling procedures for financial or operational actions of material significance to the Company, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others;
  - (c) Any matter bearing on the personal interest of a Director;
  - (d) Material asset or derivatives transactions;
  - (e) Material monetary loan, endorsement, or provision of guarantee;
  - (f) The offering, issuance, or private placement of any equity-type securities;
  - (g) The hiring or dismissal of an attesting certified public accountant, or the compensation given thereto;
  - (h) The appointment or discharge of a financial, accounting, or internal auditing officer;
  - (i) Any other material matter so required by the competent authorities.
110. When the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings. The Directors shall cause all minutes to be made in books or loose-leaf folders provided for the purpose of recording:
- (a) all appointments of officers made by the Directors;
  - (b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and
  - (c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors, including the objections and comments made by Independent Directors.
111. The continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for summoning a general meeting of the Company, but for no other purpose.
112. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the committee members present may choose one of their number to be chairman of the meeting.



113. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present.
114. All acts done by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director.

#### AUDIT COMMITTEE

115. The Company shall establish an Audit Committee. The Audit Committee shall be composed of all Independent Directors. The number of the committee members shall not be less than three, and one of the members shall be the convener, who shall be responsible for convening the Audit Committee meeting from time to time, and at least one of the members shall have accounting or financial expertise. The resolution of the Audit Committee shall be approved by more than or equal to half of all the members of the Audit Committee.
116. The following matters shall be approved by more than two-thirds of all members of the audit committee and submitted to the Board of Directors for resolution:
- (a) Adoption or amendment of the Company's internal control system;
  - (b) Evaluation of the effectiveness of the internal control system;
  - (c) Adoption or amendment of handling procedures for financial or operational actions of material significance to the Company, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others;
  - (d) Any matter bearing on the personal interest of a Director;
  - (e) Material asset or derivatives transactions;
  - (f) Material monetary loan, endorsement, or provision of guarantee;
  - (g) The offering, issuance, or private placement of any equity-type securities;
  - (h) The hiring or dismissal of an attesting certified public accountant, or the compensation given thereto;
  - (i) The appointment or discharge of a financial, accounting, or internal auditing officer;
  - (j) Annual financial report and semi-annual financial report; and

- (k) Other matters decided by the Company at any time, or any other material matters so required by the competent authorities.

Except for subparagraph (j), any other matter that is not approved by more than or equal to one-half of all members of the Audit Committee may be approved by more than or equal to two-thirds of all Directors, and shall not be subject to the restriction of the preceding paragraph, and the Audit Committee's resolution shall be recorded in the minutes of the Board of Directors.

117. In addition to the circumstance where the Board fails to or is unable to convene a general meeting, the independent directors of the Audit Committee may, for the benefit of the Company, convene a general meeting whenever necessary.
118. (a) Before the Company convenes the Board of Directors to resolve the Merger and acquisition matters, the Audit Committee shall review the fairness and reasonableness of the Merger and acquisition plan and transaction, and submit the review results to the Board of Directors and the general meeting. However, if it is not necessary to convene the general meeting to resolve the Merger and acquisition matters in accordance with the Cayman company laws, it may not need to be submitted to the general meeting.
- (b) When the Audit Committee is deliberating, it shall appoint an independent expert to provide the opinion on the reasonableness of the share conversion ratio or the cash or other assets distributed to the Shareholders.
- (c) The results of the Audit Committee's deliberations and the independent expert's opinions shall be sent to the Shareholders together with the notice of convening the general meeting; however, if the Merger and acquisition is exempt from the resolution of the general meeting in accordance with the company laws of Cayman Island, a report on the Merger and acquisition shall be made at the latest general meeting.
- (d) The documents to be sent to the Shareholders referred to in the preceding paragraph shall be deemed to have been delivered the Shareholders after the Company has announced the same content on the website designated by the securities regulatory authority of the Republic of China and placed at the meeting venue of the general meeting for the Shareholders to consult.
119. The Audit Committee shall audit the various financial statements and records prepared by the Directors for submission to the annual general meeting.
120. To the extent permitted by the company law, any matters concerning the Audit Committee that are not specified in the Memorandum of Association shall be governed by applicable laws and regulations.

- 121. [Deletion]
- 122. [Deletion]
- 123. [Deletion]
- 124. [Deletion]
- 125. [Deletion]
- 126. [Deletion]
- 127. [Deletion]

#### DIVIDENDS

- 128. Subject to the Law and these Articles, the Company in general meeting may from time to time by resolution to pay dividends in any currency to the Shareholders but no dividend or bonus shall be paid in excess of the amount provided by the resolution passed by the Board. For so long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, dividend or bonuses may only be declared in NTD.
- 129. (A) The Company shall not pay dividends, unless its losses (including losses of previous years) have been offset.  
(B) The Company shall not pay dividends when there are no Surplus Earnings (as defined below) unless paid in accordance with Article 134(A).  
(C) Where the Company has profits (indicating the net profits of the pre-tax income deducting the employees' remuneration and directors compensation), the allocated percentage is set in the following order:
  - (a) No less than zero point one percent (0.10%) for remuneration to employees. When the employee remuneration may be paid in the form of new shares issued by the Company or cash, the employees of subsidiaries of the company meeting certain specific requirements are entitled to receive shares or cash.
  - (b) No more than three point five percent (3.5%) for compensation of Directors; it shall be distributed by cash only.If the Company has accumulated losses (including adjustment to unappropriated Surplus Earnings), the recovered amount shall be reserved in advance.  
Above items (a) and (b) shall be resolved by the Board of Directors, and reported to the shareholder meeting.

(D) Where the Company has current net income after tax at the end of the fiscal year, after off-setting accumulated losses, and allocating a certain percentage of Special Reserve according to relevant rules and regulations governing public companies or the Applicable Listing Rules of regulatory authorities, the balance left ("Surplus Earnings") may be declared and distributed in the form of new Share issuance by a Special Resolution of an annual general meeting, and may be declared and distributed in cash by a special resolution of the Board.

(E) The remainder, deducted by an amount the Board recommends not to distribute, may be allocated to the Shareholders as bonus shares or dividends.

(F) Unless otherwise resolved by a meeting of the Board of Directors or a general meeting, in consideration of financial, business, and operation factors, any remaining profit not less than 20% of the given year's Surplus Earning after tax may be allocated by way of dividends and bonus according to the Companies Law of the Cayman Islands and relevant laws and regulations governing public companies.

(G) The Shareholders dividends and bonus will be distributed in stock dividend and/or cash dividend, among which stock dividend will consist 0~50% and cash dividend will consist 50~100% of the total dividends paid.

130. (A) The Company may, by Ordinary Resolution, set aside from its Surplus Earnings an additional amount as a special reserve ("Special Reserve").

(B) The Board shall establish an account to be called the Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company. There shall be debited to any Share Premium Account on the redemption or repurchase of a Share the difference between the nominal value of such Share and the redemption or repurchase price provided always that at the discretion of the Directors such sum may be paid out of profits of the Company or, if permitted by the Law, out of Capital.

131. Any resolution declaring a dividend, bonus shares or other distribution on shares of any class may specify that the same shall be payable or distributable to the persons registered as holders of such shares at the close of business on a particular date.

132. (A) The Company may by, Supermajority Resolution Type A or, in lieu thereof, if the total number of Shares represented at the general meeting is not sufficient to constitute a quorum for Supermajority Resolution Type A, a Supermajority Resolution Type B, determine that the whole or a part of the Surplus Earnings distributable as dividends and/or bonuses be distributed in the form of new shares to be issued by the Company for such purpose. Any fraction of such newly issued shares shall be paid in cash.

(B) In the event that the Company distributes dividends and/or bonuses, in whole or in part, in the form of cash, such distribution shall require the approval of the majority of the Directors present in a Board meeting attended by two-thirds or more of the Directors.

133. Any dividend, interest or other sum payable in cash to the holder of shares may be paid by electronic transfer (with the consent of the Shareholder and subject to the provision by the Shareholder of a bank account in Taiwan in that Shareholder's name) or by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares. Electronic transfers and the posting of cheques or warrants will be at the risk of the Shareholders. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

134. (A) Where the Company incurs no loss, it may, subject to the Law, by Supermajority Resolution Type A or, in lieu thereof, if the total number of Shares represented at the general meeting is not sufficient to constitute a quorum for Supermajority Resolution Type A, a Supermajority Resolution Type B, (a) capitalize its Statutory Reserve and following categories of Capital Reserve - Share Premium Account and/or income from endowments received by the Company - in whole or in part, by issuing new, fully paid bonus shares to its Shareholders, or (b) make distributions out of the Statutory Reserve and the Share Premium Account to its Shareholders in cash..

(B) Subject to the Law, in the case where the Company issues new Shares to the existing Shareholders by capitalization of its Reserves or due to an increase in the value of its assets upon revaluation, Article 13 shall not apply.

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

135. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.

136. The books of account shall be kept at the Office or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.

137. At the close of each financial year, the Board of Directors shall prepare and submit the business report, financial statements, and the surplus earning distribution or loss off-setting

proposals prepared by it for the annual general meeting of Shareholders for its ratification. After the annual general meeting, the Board of Directors shall distribute to each Shareholder the copies of ratified financial statements and the resolutions on the earning distribution and/or loss offsetting. The abovementioned statements and resolutions may be distributed by way of a public announcement.

138. The statements and records of accounts prepared by the Directors in accordance with the previous Article on the Company's accounts or business shall be made available at the Office and at the office of the Shareholders' Service Agent in Taiwan for inspection at any time during the normal business hours of the office of the Shareholders' Service Agent in Taiwan, by the Shareholders commencing at least 10 days prior to the annual general meeting.
139. No Shareholder (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.
140. The accounts relating to the Company's affairs shall only be audited in such manner and with such financial year end as may be determined from time to time by the Directors, or required by the Applicable Listing Rules.
141. The Board of Directors shall keep at the Office and at the office of its Shareholders' Service Agent in Taiwan copies of the Memorandum and Articles, the minutes of every meeting of the Shareholders and the financial statements, the Register and the counterfoil of corporate bonds issued by the Company. Any Shareholder of the Company may request, by submitting evidentiary document(s) to show his/her interests involved and indicating the scope of interested matters, an access to inspect, transcribe, or make copies of any such accounting books and records, and the Company shall instruct the Shareholders' Service Agent to provide the same.
142. The Board of Directors or other persons authorized to convene a general meeting may, in the event of convening a general meeting, require the Company or the Shareholders' Service Agent to provide the Register.
- 142-1 The Board or other person authorized to convene a general meeting may, in the event of convening a general meeting, require the Company or the Shareholders' Service Agent to provide the Register.
143. Without prejudice to the rights set forth in these Articles, no Shareholder shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may

relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the Shareholders of the Company to communicate to the public.

144. The Board shall be entitled to release or disclose to any regulatory or judicial authority any information in its possession, custody or control regarding the Company or its affairs to any of its Shareholder including, without limitation, information contained in the Register and transfer books of the Company.

#### TENDER OFFER

145. Within seven days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its litigation or non-litigation agent appointed pursuant to the Applicable Listing Rules, the Board of the Directors shall resolve to recommend to the Shareholders whether to accept or object to the tender offer and make a public announcement of the following:
- (a) The types and amount of the Shares held by the Directors and the Shareholders holding more than 10 percent of the issued Shares in its own name or in the name of other persons.
  - (b) Recommendations to the Shareholders on the tender offer, which shall set forth the names of the Directors who abstain or object to the tender offer and the reason(s) therefor.
  - (c) Whether there is any material change in the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any.
  - (d) The types, numbers and amount of the Shares of the tender offeror or its affiliates held by the Directors and the Shareholders holding more than 10 percent of the issued Shares held in its own name or in the name of other persons.

#### NOTICES

146. Except as otherwise provided in these Articles, any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by facsimile, or by sending it through the post in a prepaid letter or via a recognised courier service, fees prepaid, addressed to such Shareholder at his address as appearing in the Register, or to the extent permitted by all applicable laws and regulations, by electronic means by transmitting it to any electronic mail number or address such Shareholder may have positively confirmed in writing for the purpose of such service of notices. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands as their representative in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

147. Any Shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

148. Any notice or other document, if served by:

(a) post or courier, shall be deemed to have been served five days after the time when the letter containing the same is posted or delivered to the courier;

(b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;

(c) recognised courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service; or

(d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

149. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with the terms of these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.

150. Notice of every general meeting of the Company shall be given to:

(a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and

(b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.



## INDEMNITY OR INSURANCE

151. Every Director (including for the purposes of this Article any alternate Director appointed pursuant to the provisions of these Articles) and other officer for the time being and from time to time of the Company (each an "**Indemnified Person**") shall be indemnified and secured harmless out of the assets and funds of the Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere. No Indemnified Person shall be liable to the Company unless such liability arises through such Indemnified Person's own dishonesty, wilful default or fraud.
152. For the benefit of every Director and other officer for the time being and from time to time of the Company, the Company may purchase liability insurance for them (the "Director and Officer Insurance"); provided that the liability is limited to the performance of his duties pursuant to the Articles, Law and the Applicable Listing Rules.

## FINANCIAL YEAR

153. Unless the Directors otherwise prescribe, the financial year of the Company shall end on December 31st in each year and shall begin on January 1st in each year.

## WINDING- UP

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

Listing Rules, divide amongst the Shareholders in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different Classes. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Shareholders as the liquidator, with the like sanction shall think fit, but so that no Shareholder shall be compelled to accept any asset whereon there is any liability.

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

#### AMENDMENT OF ARTICLES OF ASSOCIATION

157. Subject to the Law and the Articles, the Company's meeting of the Shareholders may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

#### REGISTRATION BY WAY OF CONTINUATION

158. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

**Keysheen (Cayman) Holdings Co., Limited**  
**Directors holding shares**

Details of directors holding shares

Title	Name	Shares registered in the Register of Members	Percentage of Ownership
Chairman	Liu Chung-Hsin	10,320,000	9.90%
Director	Lauer & Sons Corp. Representative: Chen Ming-Shan	11,520,000	11.05%
Director	Liu Hsin-Tsu	9,362,400	8.98%
Director	Lin Hong-Chi	240,000	0.23%
Director	Lee Cheng-Ping	85,000	0.08%
Director	Liu I-Hsiao	9,478,609	9.09%
Director	Liu Tsu-Kun	5,308,560	5.09%
Independent Director	Liu Kong-Hsin	0	0%
Independent Director	Lin Yu-Siang	0	0%
Independent Director	Chien Chih-Jen	0	0%
<b>Sub-total of all directors (1)</b>		<b>46,314,569</b>	<b>44.42%</b>

Note 1. The date on which the Register is closed for transfers: May 1, 2021

Note 2. The shareholding ratio of this table is calculated based on the number of outstanding shares of the Company as of the date of Register is closed for transfers of shares of the Company (104,261,000 shares).