

Stock Code: 4552



**L I D A H O L D I N G S
L I M I T E D**

**2025 Annual Shareholders'
Meeting
M e e t i n g A g e n d a**

J u n e 1 8 ^{t h} , 2 0 2 5

Type: Physical Shareholders' Meeting

Date: June 18, 2025

Venue: 11F, No. 495, Guangfu S. Rd., Xinyi Dist., Taipei City(Pacific Business Hotel)

Table of Contents

Meeting Procedure	2
Meeting Agenda	3
Reported matters	4
Acknowledged matters	5
Matters for Discussion	6
Extemporaneous Motions	6
Adjournment	6

Attachment

Attachment 1 Business Report	7
Attachment 2 Inspection Report of Audit Committee	11
Attachment 3 Remunerations of Directors (including independent directors)	12
Attachment 4 Independent Auditors' Report and 2024 Consolidated Financial Statements	13
Attachment 5 Table of Distribution of 2024 earnings	21
Attachment 6 Comparison Table for Articles of Association	22

Appendix

Appendix 1 Articles of Association (before amendment)	29
Appendix 2 Rules of Procedure for Shareholders Meetings	88
Appendix 3 Shareholding Status of All Directors	99
Appendix 4 Other Explanatory information	100

LIDA HOLDINGS LIMITED

Meeting Procedure of Annual Shareholders' meeting 2025

- 1. Announce the start of the meeting**
- 2. Chairman in place**
- 3. Chairman's Statement**
- 4. Reported matters**
- 5. Acknowledged matters**
- 6. Matters for Discussion**
- 7. Extemporaneous Motions**
- 8. Adjournment**

LIDA HOLDINGS LIMITED
2025 Meeting Agenda of Annual Shareholders' meeting

Time: June 18th, 2025 (Wednesday) 09:00 a.m.

Location: 11F, No. 495, Guangfu S. Rd., Xinyi Dist., Taipei City

(Pacific Business Hotel)

- 1. Announce the start of the meeting**
- 2. Chairman in place**
- 3. Chairman's Statement**
- 4. Reported matters**
 - (1) 2024 Business Report**
 - (2) 2024 Inspection Report of Audit Committee**
 - (3) 2024 Compensation Distribution for Employees and Director**
 - (4) 2024 Report on the Payment of Directors' Remuneration**
- 5. Acknowledged matters**
 - (1) Ratify 2024 Business Report and Financial Statement of the company**
 - (2) Ratify the proposal of Distribution of 2024 earnings**
- 6. Matters for Discussion**
 - (1) Proposal for the Amendment of the Company's Memorandum and Articles of Association.**
- 7. Extemporaneous Motions**
- 8. Adjournment**

Reported matters

First Proposal

Proposal: 2024 Business Report, please review

Explanation: 2024 Business Report, please refer to page 7, attachment 1.

Second Proposal

Proposal: 2024 Inspection Report of Audit Committee, please review

Explanation: 2024 Inspection Report of Audit Committee, please refer to page 11, attachment 2.

Third Proposal

Proposal: 2024 Compensation Distribution for Employees and Directors

Explanation:

1. According to Article 100 of the Articles of Association of the Company, require more than two-thirds of the directors of the board attended and require more than half of the attended board of directors pass the resolution. The employees' compensation shall be 0.5%-3.0% of the 2024 annual profit (Pre-tax benefits for the distribution of employee compensation and director compensation have not been deducted), by shares and/or cash; and the directors' compensation shall not be more than 2.0% of the 2024 annual profit.

2. The proposal of 2024 Compensation Distribution for Employees and Directors has already passed the resolution of the board of directors in March 14th, 2025. The employees' compensation is 0.5% of 2024 annual profit, NT\$1,111,206 by cash; no compensation for directors.

Fourth Proposal

Proposal: 2024 Report on the Payment of Directors' Remuneration

Explanation:

1. The payment of directors' remuneration by the Company is in accordance with the provisions of the Articles of Association. For details on the relevant policies for directors' remuneration, the content and amount of individual remuneration, and its correlation with performance evaluation results, please refer to attachment 3 on page 12 of this manual.

Acknowledged matters

First Proposal (Proposed by the Board of Directors)

Proposal: 2024 Business Report and Financial Statement of the company, please ratify °

Explanation:

1. 2024 Business Report, please refer to page 7, attachment 1.
2. 2024 Inspection Report of Audit Committee was audit and issued by independent auditors, Cheng-Yen Wu and Yi-Jen Chen of via KPMG Certified Public Accountants Taiwan, please refer to page 13, attachment 4.
3. The above financial statement, adopted by the audit committee and the board of directors of the company, please ratify.

Resolution:

Second Proposal (Proposed by the Board of Directors)

Proposal: Distribution of 2024 earnings, please ratify.

Explanation:

1. Distribution of 2024 earnings, it is proposed by the board of directors to be distributed as follows:
The company's 2024 annual net profit after-tax is NT\$ 137,778,516, add beginning retained earnings NT\$ 3,101,470,053, minus special reserve NT\$ 0, divisible earnings of the end of the period is NT\$ 3,239,248,569, proposed distribute cash dividend per share is NT\$1.00, the total amount of cash dividends is NT\$ 116,000,000.
2. The cash dividend is calculated according to the distribution ratio until Yuan, and the amount is rounded down to the integer (Yuan). The total of the rounded down amount is included in the other revenue of the company (or included in shareholders' equity).
3. After the case is passed by the shareholders' meeting, it is proposed to authorize the board of directors to decide the base date of allotment, issue date and other related matters.
4. The earnings retaining is before the base date of allotment. If the amount of outstanding shares is affected by changes in the law, the requirements of the competent authority or other factors, resulting in a change in the dividend payout ratio of shareholder, the board of directors is authorized to deal with the matter.
5. Distribution of 2024 earnings of the company, please refer to page 21, attachment 5, please ratify.

Resolution:

Matters for Discussion

First Proposal (Proposed by the Board of Directors)

Proposal: Proposal for the Amendment of the Company's Memorandum and Articles of Association., please ratify °

Explanation:

- 1.Following amendments to applicable laws and regulations, the Company intends to amend the Company’s “Articles of Incorporation”.
- 2.For Comparison Table for the Company’s “Articles of Incorporation”, please refer to page 22, attachment 6. For your review.

Resolution:

Extemporary Motions

Adjournment

Business Report

Preface

The company was established in the British Cayman Islands on May 11, 2012. On August 12, 2013, acquired 100% equity from Wellsoon International Limited to complete the restructuring of the group. The main business items of the company and its subsidiaries (hereafter referred to as “the Group”) are the design, manufacture and sales of air compressors.

I. 2024 Annual business results

1. 2024 business plan implementation result

In 2024, Consolidated revenue of LIDA HOLDINGS LIMITED is NT\$3,632,150 thousand, which decreased around 28.01%, compared to the company total revenue of NT\$5,045,537 thousand in 2023. The consolidated net profit in the current period was NT\$137,779 thousand, and the basic earnings per share was NT\$ 1.19.

2. Execution of the budget derivative of operating revenue and expenditure Currency: Thousand NT\$

Item/Year		2024 Actual	2024 Budget
Financial income and expenditure	Operating revenue	3,632,150	6,024,339
	Operating gross profit	730,696	1,360,329
	Operating profit	203,230	726,913
	Non-operating income and expenses	-6,612	-24,206
	Profit before tax	196,618	702,703
	Profit after tax	137,779	474,326
	Earnings per share after tax (NT\$)	1.19	4.09

3. Financial income and expenditure and Profitability analysis Currency: Thousand NT\$

Item/Year			2024 Actual	2023 Actual
Financial income and expenditure	Operating revenue		3,632,150	5,045,537
	Operating gross profit		730,696	1,124,377
	Operating profit		203,230	618,604
	Non-operating income and expenses		-6,612	-4,080
	Profit before tax		196,618	614,524
Profitability	Return on Stockholders' Equity (%)		2.27	6.83
	To paid-in capital (%)	Operating profit	17.52	53.33
		Profit before tax	16.95	52.98
	Earnings per share after tax (NT\$)		1.19	3.46

4. Research Results

Since 2021, the company has shifted from outsourced R&D to independent research and development. After a series of dedicated efforts in research, design, and testing, it successfully developed products in 2024, including the single-stage compression permanent magnet variable frequency screw compressor, high-speed centrifugal magnetic levitation blower, air-cooled low-pressure screw compressor, and Lida screw vacuum pump.

II. Summary of the 2024 business plan

1. Operation policies and implementation overview

LIDA group specializes in the independent research, development, manufacturing, and sales of high-performance, high-quality, and energy-efficient piston, screw, and scroll air compressors. These products are widely used in various industries, including pharmaceuticals, food processing, mining, chemicals, electronics, power generation, construction materials, automotive, steel, furniture, and machinery manufacturing.

In recent years, under strong policy guidance and support from the Chinese government, and alongside China's transformation into a global powerhouse in mechanical manufacturing, industries have been striving for industrial upgrades to enhance production efficiency and quality. The trend of replacing manual labor with high-performance automated pneumatic equipment and tools has driven the steady growth of China's air compressor industry. The Chinese air compressor market has shown a continuous upward trend, with a compound annual growth rate (CAGR) of approximately 4.25% from 2020 to 2024. By 2024, the market size had reached RMB 69.09 billion.

However, following a period of booming real estate development, the market began to cool down, particularly in 2024, when it experienced a downturn. Developers faced financial difficulties, leading to the collapse of several well-known real estate companies and an increase in unfinished housing projects. As real estate is interconnected with hundreds of industries, and many cities rely heavily on it for GDP growth due to a lack of alternative industrial sectors, the downturn in the real estate market has had a significant impact on China's economy.

Meanwhile, the world is struggling between two opposing forces—one advocating for open multilateralism and global democratization, and the other pushing for exclusionary multilateralism and hegemonic anti-globalization. The Russia-Ukraine conflict has triggered a global energy crisis, widening the wealth gap and fueling social discontent. The rise of populism in many countries and the increasingly volatile international political landscape have led to a deteriorating global economy. At the same time, the rapid advancement of artificial intelligence has caused short-term structural unemployment, further weakening consumer spending power.

In response to these challenges, the Lida team must closely monitor market trends and leverage its extensive experience in air compressor production and management. By staying customer-oriented, closely tracking market changes, and adjusting product lines accordingly, the company will focus on talent development, strengthening R&D capabilities, improving product quality, and enhancing value-added services. Through

steady and strategic product upgrades and transformations, Lida aims to stabilize its core business while driving innovation, ensuring sustainable and healthy growth.

2. 2025 Annual Business Plan and Goals include:

- (1) Increase the sales revenue and proportion of high-efficiency, energy-saving screw machines, including single-stage compression permanent magnet variable frequency screw compressors, high-speed centrifugal magnetic levitation blowers, air-cooled low-pressure screw compressors, and Lida screw vacuum pumps. Optimize product structure to enhance profitability.
- (2) Accelerate the development of new products by continuously expanding into diversified application areas, including oil-free screw blowers, refrigeration series screw compressors and vacuum pumps, and dryers. Implement a steady and proactive approach to product upgrades and transformation.
- (3) Continue to expedite the mass production of screw mainframes, expand R&D efforts for different models, and ensure a stable supply and high yield rate of key components.
- (4) Continuously optimize high-quality after-sales services while leveraging the existing mature distributor network and strategic partnerships to expand sales locations.
- (5) Further enhance corporate governance, improve the corporate legal governance structure and internal control mechanisms, and uphold corporate social responsibility principles to achieve sustainable business development.

3. Research and Development

Since its founding, LIDA has been dedicated to the research, development, and manufacturing of air compressors, pursuing a dual approach of independent innovation and technological collaboration, with a primary focus on developing proprietary technologies.

In production, Lida has successfully improved existing efficiency and techniques, achieving a low-cost, high-quality air compressor manufacturing capability. The company has consistently maintained technical development and cooperative relationships with multiple academic and research institutions to advance air compressor technology.

Looking ahead, Lida plans to develop new products, including high-power screw mainframes, vacuum pumps, oil-free screw blowers, and refrigeration series screw compressors. The company will continue to enhance product efficiency, energy savings, noise reduction, weight reduction, and size optimization, offering a diverse range of models to meet the varied needs of the market and customers. Looking ahead, Lida plans to develop new products, including high-power screw mainframes, vacuum pumps, oil-free screw blowers, and refrigeration series screw compressors. The company will continue to enhance product efficiency, energy savings, noise reduction, weight reduction, and size optimization, offering a diverse range of models to meet the varied needs of the market and customers.

III. The company's development strategy

1. According to the latest demand on air compressors in the market, the company's current products will be proceeded technological transformation and upgraded to meet the new market demand. Meanwhile, combined with the development trend of air compressors, the new type of energy-saving

air compressors will be developed and launched.

2. Based on market change under new trend, the current sales system will be adjusted and improved, increase the professional trainings to upgrade sales capability, communicate and connect with distributors much better by holding distributors' meeting according to market situation, and establish a sales system and sales mechanism in response to the new market demand.
3. Increase the recruit of high-knowledge and high-quality talents, especially R&D talents; since the company will create a R&D center and a certain-scale R&D team in the future. According to the market situation and development trend on the air compressor, the products that can meet the market demands shall be developed in a timely manner and implement product differentiation strategy.

IV. The impacts including the external competitiveness, rules and regulations and macro-economic environment

The application of air compressors is extensive, leading to a highly competitive market with numerous manufacturers. However, since air compressors serve various industries, each large-scale manufacturer develops its own unique, differentiated products. As a result, while competition exists, it is not purely homogeneous.

As a general-purpose air compressor manufacturer, LIDA primarily serves the industrial manufacturing sector. Beyond simply selling products, the company also offers unique solutions tailored to customers' specific needs, providing differentiated products that give Lida a competitive edge in the air compressor industry.

Lida's products meet national industry standards, with excellent energy efficiency ratings and significant energy-saving and consumption-reducing benefits. Additionally, the raw materials used in production are non-toxic, harmless, and free from chemicals and heavy metal contamination, ensuring compliance with environmental regulations.

Since 2024, the real estate market has been in a downturn, with several well-known real estate companies facing financial crises, which has negatively impacted related industries. Additionally, global political instability and China's ongoing industrial restructuring and upgrades have led to the bankruptcy of companies that failed to adapt, as well as the relocation of industries, causing a shrinking customer base and significant operational pressures...

Attachment 2 Inspection Report of Audit Committee

LIDA HOLDINGS LIMITED

Inspection Report of Audit Committee

The board of directors send the company's 2024 annual business report, financial statements and the proposal of distribution of 2024 earnings to the audit committee for audit. The committee considered there is nothing inappropriate. Therefore, according to Article 14-4 of the Securities Exchange Act and Article 219 of the Company Act, reports as above.

Sincerely,

2025 Annual Shareholders' Meeting of LIDA HOLDINGS LIMITED

LIDA HOLDINGS LIMITED

Audit Committee

convener: Shyne-Ren Shen

March 14th, 2025

Attachment 3 Remunerations of Directors (including independent directors)

2024 Remunerations of Directors (including independent directors)

Unit: NT\$ thousand, %																						
Title	Name	Directors Compensation								Total Amount and Ratio of Net Profit After Tax (A+B+C+D) (%)		Relevant remuneration received by directors who are also employees								Total Amount and Ratio of Net Profit After Tax (A+B+C+D+E+F+G)		Compensation paid from an invested company other than the Company's subsidiary
		Base Compensation(A)		Severance Pay(B)		Directors Compensation(C)		Allowances(D)				Salary, Bonuses and Allowances(E)		Severance Pay(F)		Employee Compensation(G)						
		The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement	The Company		All companies in the consolidated financial statement		The Company	All companies in the consolidated financial statement			
														Cash	Stock	Cash	Stock					
Chairman	Yi Yuan Enterprises Limited Representative: Chien-Leng, Wu	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	None	
Director	Gain Fortune Development Limited Representative: Da-Ping, Huang	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	None	
Director	Wei-Feng, Jiang	—	—	—	—	—	—	—	45	—	45, 0.03%	—	—	—	—	—	—	—	—	—	45, 0.03%	None
Director	Chi-Fai,Tang	—	—	—	—	—	—	—	45	—	45, 0.03%	—	—	—	—	—	—	—	—	—	45, 0.03%	None
Independent Director	Xue-Ren, Shen	—	536	—	—	—	—	—	45	—	581, 0.42%	—	—	—	—	—	—	—	—	—	581, 0.42%	None
Independent Director	Zuo-Cheng, Zhang	—	536	—	—	—	—	—	45	—	581, 0.42%	—	—	—	—	—	—	—	—	—	581, 0.42%	None
Independent Directo	Pai-We, Cheng	—	536	—	—	—	—	—	45	—	581, 0.42%	—	—	—	—	—	—	—	—	—	581, 0.42%	None

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of Lida Holdings Limited

Opinion

We have audited the accompanying consolidated balance sheets of Lida Holdings Limited and its subsidiaries (the "Group") as of December 31, 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis of opinion

We conducted our audit of the consolidated financial statements in accordance with Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China (ROC GAAS). We are independent of the Group in accordance with the Codes of Professional Ethics for Certified Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's consolidated financial statements for the year 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion; thereon, we do not provide a separate opinion on these matters. The key audit matters we judge that shall be communicated in the audit report are as follows:

1. Cash and cash equivalents

Descriptions of the key audit matter

Please refer to Note 4(6) to the consolidated financial statements for the accounting policies on cash and cash equivalents. Please refer to Note 6(1) to the consolidated financial statements for the explanations on the accounting item. As of December 31, 2024, the balances of cash and cash equivalents amounted to NT\$2,389,144 thousand.

The Group designs, manufactures, and sells mechanical and electrical products such as air compressors, and cash and cash equivalents are accounted for 31% of the total consolidated assets. Because of cash and cash equivalents' inherent risk, we consider cash and cash equivalents as a key audit matter.

Audit procedures in response:

Primary audit procedures are as follows:

- Evaluated and tested the design and effectiveness of the internal control over cash management, including segregation of duties for cash receipts and recording, authorization of receipts and payments in cash and book general entry.

- Sending written confirmation requests regarding all bank accounts, to acquire external information.
- Performed a test audit for large inflows and outflows of cash and verified whether the nature of the transactions complied with the business operating needs.
- Tested the bank reconciliation report by verifying the balance of all accounts against that of the general ledger, checking the balance of the bank account against the bank statements and bank confirmations, and inspecting the reconciling items against the bank statements after the balance sheet date or other supporting documents to ensure the completeness, accuracy as well as the rights and obligations of bank deposit.
- Perform an inventory audit to confirm the existence of cash on hand and revolving funds.

2. Sale revenue from distribution selling

Description of the key audit matter

Please refer to Note 4 (14) to the consolidated financial statements for the accounting policies on revenue recognition. Please refer to Note 6 (16) to the consolidated financial statements for the explanations on the accounting item. For the year ended December 31, 2024, the Group's consolidated revenue was NT\$3,632,150 thousand.

The Group primarily adopts a sales distribution model and signs, with distributors each year, agreements that state the rights and obligations of distributors, such as the terms and conditions, sales quotas, delivery method, maintenance and warranty, and refund policy.

Given that the income generated under the above sale distribution model made up 94% of the total Group sales revenue, the sales distribution model and terms of transactions would have a significant impact on the recognition of the sales revenue. Thus, we consider sales revenue from distribution selling as the key audit matter.

Audit procedures in response:

Primary audit procedures are as follows:

- Assessed the new top 10 distributors by checking the owner, major shareholders, business address, capital, main business items and other relevant information of the distribution companies.
- Selected samples from the distributor list, and conducted interviews with them to observe the veracity of sales pertaining to distributors, and inquired whether the financial information of transactions between the distributors and the Group was consistent with the information in the financial statements.
- Verified the balance of accounts receivable at the end of the period by sending confirmation request letters to Group's major distributors, to acquire external information..
- Assessed and tested the implementation effectiveness of internal controls over sales.
- Tested the samples of sales transactions, to assess the correctness of the period of revenue recognition.

Other matter

The consolidated financial statements of the Group for the year ended December 31, 2023 were audited by other auditors, on which they have issued an unqualified opinion.

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

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with ROC GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal 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 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Group's consolidated financial statements for the year 2023 and are therefore the key audit matters. We describe these matters in our auditor's 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.

KPMG

Auditors :

Securities	:	Taiwan- Financial -Securities-
Competent		XI-1060042577
Authority		Financial-Supervisory-
Approved-certified		Securities-Auditing- 1100333824
No.		
March 28, 2025		

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

Expressed in thousands of New Taiwan dollars

Assets		2024.12.31		2023.12.31		Liabilities and equity		2024.12.31		2023.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Notes 4, 6(1), (20), and (21))	\$ 2,389,144	31	1,016,541	14	2100	Short-term borrowings (Notes 6(10), (20), 7, and 8)	\$ 346,552	5	382,940	5
1136	Financial assets at amortized cost – current (Notes 4, 6(2), (20), and 8)	6,717	-	-	-	2170	Accounts payables (Note 6(20))	459,949	6	259,620	4
1170	Accounts receivables, net (Notes 4, 6(3), and (20))	955,776	13	1,276,076	17	2219	Other payables (Notes 6(17) and (20))	98,525	1	107,178	1
1200	Other receivables (Note 4, 6(4), and (20))	798	-	1,133,885	15	2230	Current tax liabilities (Note 4)	-	-	67,359	1
1210	Other receivables – related parties (Notes 4, 6(20), and 7)	-	-	1,936	-	2250	Provisions – current (Note 4)	3,831	-	5,890	-
1220	Current tax assets (Notes 4 and 6(13))	479	-	-	-	2300	Other current liabilities	-	-	55	-
130X	Inventories (Notes 4 and 6(5))	325,867	4	257,634	4			908,857	12	823,042	11
1410	Prepayments	565	-	869	-		Non-current liabilities:				
1470	Other current assets	13,190	-	6,488	-	2570	Deferred tax liabilities (Notes 4 and 6(13))	636,588	8	598,034	8
		3,692,536	48	3,693,429	50			636,588	8	598,034	8
							Total liabilities	1,545,445	20	1,421,076	19
Non-current assets:						Equity attributable to owners of the parent company: (Note 6(14))					
1600	Property, plant and equipment (Notes 4, 5, 6(6), and 8)	3,259,027	42	3,235,699	44			1,160,000	15	1,160,000	16
1755	Right-of-use assets (Notes 4, (7), and 8)	124,618	2	149,551	2	3110	Ordinary share capital				
1760	Investment properties, net (Notes 4, 5, 6(8), and 8)	484,340	6	142,685	2	3200	Capital surplus	1,548,200	20	1,548,200	21
1840	Deferred tax assets (Notes 4 and (13))	27,874	-	25,608	-		Retained earnings:				
1915	Prepayments for equipment	133,389	2	128,342	2	3320	Special reserve	605,682	8	605,682	8
1990	Other non-current assets - others	177	-	457	-	3350	Unappropriated earnings	3,239,249	42	3,229,070	44
		4,029,425	52	3,682,342	50			3,844,931	50	3,834,752	52
							Other equity interests:				
						3400	Other equity interests	(376,615)	(5)	(588,257)	(8)
							Total equity attributable to owners of the parent company	6,176,516	80	5,954,695	81
							Total equity	6,176,516	80	5,954,695	81
Total assets		\$ 7,721,961	100	7,375,771	100	Total liabilities and equity		\$ 7,721,961	100	7,375,771	100

(Please refer to notes to the consolidated financial statements for details.)

Chairman: Wu, Chien-Leng

Manager: Chen, Yi-Ping

Accounting Supervisor: Huang, Yun-Xiang

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Expressed in thousands of New Taiwan dollars

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4 and 6(16))	\$ 3,632,150	100	5,045,537	100
5000	Operating costs (Notes 6(5) and (19))	2,901,454	80	3,930,150	78
	Gross profit from operations	730,696	20	1,115,387	22
	Operating expenses: (Note 6(19))				
6100	Sales and marketing expenses	66,756	2	117,176	2
6200	General and administrative expenses	152,487	4	120,949	2
6300	Research and development expenses	225,965	6	230,919	5
6450	Expected credit losses	82,258	2	36,729	1
		527,466	14	505,773	10
	Net profit from operations	203,230	6	609,614	12
	Non-operating income and expenses: (Note 6(18))				
7100	Interest income	6,742	-	15,260	-
7010	Other income	15,659	-	5,868	-
7020	Other gains and losses	(13,554)	-	(3,960)	-
7050	Finance costs	(15,459)	-	(12,258)	-
	Total non-operating income and expenses	(6,612)	-	4,910	-
	Net profit before tax from continuing operations	196,618	6	614,524	12
7950	Less: income tax expenses (Notes 4 and 6(13))	58,839	2	212,849	4
	Net profit for the current period	137,779	4	401,675	8
8300	Other comprehensive income:				
8360	Items that will not be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements (Note 6(14))	211,642	6	(111,591)	(2)
8300	Other comprehensive income for the current period (net of tax)	211,642	6	(111,591)	(2)
	Total comprehensive income for the period	\$ 349,421	10	290,084	6
	Net profit attributable to:				
	Owners of the parent company	\$ 137,779	4	401,675	8
		\$ 137,779	4	401,675	8
	Total comprehensive income attributable to:				
	Owners of the parent company	\$ 349,421	10	290,084	6
		\$ 349,421	10	290,084	6
	Earnings per share (NT\$) (Note 6(15))				
	Basic earnings per share (NT\$)	\$ 1.19		3.46	
	Diluted earnings per share (NT\$)	\$ 1.19		3.46	

(Please refer to notes to the consolidated financial statements for details.)

Chairman: Wu, Chien-Leng

Manager: Chen, Yi-Ping

Accounting Supervisor: Huang, Yun-Xiang

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Expressed in thousands of New Taiwan dollars

	Equity attributable to owners of the parent company					Other equity interests	Exchange differences on translation of foreign financial statements	Total equity
	Retained earnings							
	Share capital	Capital surplus	Special reserve	Unappropriated earnings				
Balance as of January 1, 2023	\$ 1,160,000	1,548,200	605,682	2,978,195	(476,666)		5,815,411	
Net profit for the current period	-	-	-	401,675	-		401,675	
Other comprehensive income for the current period	-	-	-	-	(111,591)		(111,591)	
Total comprehensive income for the current period	-	-	-	401,675	(111,591)		290,084	
Appropriation and distribution of earnings:								
Cash dividends of ordinary shares	-	-	-	(150,800)	-		(150,800)	
Balance as of December 31, 2023	1,160,000	1,548,200	605,682	3,229,070	(588,257)		5,954,695	
Net profit for the current period	-	-	-	137,779	-		137,779	
Other comprehensive income for the current period	-	-	-	-	211,642		211,642	
Total comprehensive income for the current period	-	-	-	137,779	211,642		349,421	
Appropriation and distribution of earnings:								
Cash dividends of ordinary shares	-	-	-	(127,600)	-		(127,600)	
Balance as of December 31, 2024	\$ 1,160,000	1,548,200	605,682	3,239,249	(376,615)		6,176,516	

(Please refer to notes to the consolidated financial statements for details.)

Chairman: Wu, Chien-Leng

Manager: Chen, Yi-Ping

Accounting Supervisor: Huang, Yun-Xiang

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Expressed in thousands of New Taiwan dollars

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Net profit before tax	\$ 196,618	614,524
Adjustments:		
Items of income and expenses		
Depreciation expenses	137,152	129,127
Expected credit losses	82,258	36,729
Interest expenses	15,459	12,258
Interest income	(6,742)	(15,260)
Losses on disposal and scrap of property, plant and equipment	2,522	5,682
Losses on impairment of non-financial assets	15,007	-
Total items of income and expenses	<u>245,656</u>	<u>168,536</u>
Changes in assets / liabilities relevant to operating activities:		
Net changes in assets relevant to operating activities:		
Accounts receivables	281,459	(260,870)
Other receivables	(798)	-
Other receivables – related parties	1,936	12,025
Inventories	(59,061)	58,357
Prepayments	304	211
Other current assets	(6,702)	(2,190)
Total net changes in assets relevant to operating activities	<u>217,138</u>	<u>(192,467)</u>
Net changes in liabilities relevant to operating activities:		
Contract liabilities	-	(5)
Accounts payables	200,329	(505,249)
Other payables	(8,653)	(14,528)
Provisions	(2,059)	(1,708)
Other current liabilities	(55)	55
Total net changes in liabilities relevant to operating activities	<u>189,562</u>	<u>(521,435)</u>
Total net changes in assets and liabilities relevant to operating activities	<u>406,700</u>	<u>(713,902)</u>
Total adjustments	<u>652,356</u>	<u>(545,366)</u>
Cash flows generated from operations	848,974	69,158
Interest received	6,742	15,260
Interest paid	(15,459)	(12,258)
Income tax paid	(112,550)	(157,993)
Net cash flows generated from (used in) operating activities	<u>727,707</u>	<u>(85,833)</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(377,698)	(347,002)
Disposal of property, plant and equipment	752	732
Acquisition of financial assets at amortized cost	(6,717)	-
Disposal of financial assets at amortized cost	-	799,375
Increase in guaranteed deposits paid	(3)	-
Other receivables – fund financing (collection)	1,133,885	(1,133,885)
Decrease in other non-current assets	283	-
Net cash flows generated from (used in) investing activities	<u>750,502</u>	<u>(680,780)</u>
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	(49,599)	197,793
Repayment of lease principal	-	(610)
Cash dividends paid	(127,600)	(150,800)
Net cash flows generated from (used in) financing activities	<u>(177,199)</u>	<u>46,383</u>
Effect of changes in exchange rates on cash and cash equivalents	<u>71,593</u>	<u>(34,482)</u>
Increase (decrease) in cash and cash equivalents	1,372,603	(754,712)
Beginning balance of cash and cash equivalents	1,016,541	1,771,253
Ending balance of cash and cash equivalents	<u>\$ 2,389,144</u>	<u>1,016,541</u>

(Please refer to notes to the consolidated financial statements for details.)

Chairman: Wu, Chien-Leng

Manager: Chen, Yi-Ping

Accounting Supervisor: Huang, Yun-Xiang

LIDA HOLDINGS LIMITED

Table of Distribution of 2024 earnings

Unit: TW\$

Item	Amount	Remarks
Beginning retained earnings	3,101,470,053	
add:		
2024 annual net profit after-tax	137,778,516	
Designated item		
Special reserve		
Distributable net profit	3,239,248,569	
Distribution item		
Cash dividend to shareholders-\$1.00 per share	(<u>116,000,000</u>)	
Unappropriated retained earnings	3,123,248,569	

Chairman: Chien-Leng Wu

CEO: Yi-Ping Chen

CFO: Rea Huang

Attachment 6 Comparison Table for ARTICLES OF ASSOCIATION

LIDA HOLDINGS LIMITED

力達控股有限公司

Comparison Table for ARTICLES OF ASSOCIATION

章程修正對照表

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
第 12 條	During the Relevant Period, the Company may, subject to approval of Shareholders <u>by way of Special Resolution, issue new Shares with restricted rights as approved by such Special Resolution to Employees of the Company and/or its Subordinate Companies</u> , provided that Articles 8 and 9 shall not apply. In respect of the issuance of Shares to Employees in the preceding sentence, the number of Shares to be issued, issue price, issue conditions, restrictions and other matters shall be subject to the Applicable Listing Rules and the Law.	During the Relevant Period, the Company may <u>issue new Shares with restricted rights to Employees of the Company and/or its Subordinate Companies</u> , subject to approval of Shareholders <u>at a general meeting by a majority of the Shareholders present who represent two-thirds or more of the total issued and outstanding Shares, and in the event the total number of shares represented by the Shareholders present at a general meeting is less than the percentage of the total issued and outstanding Shares required in the preceding sentence, a resolution related thereto may be adopted by two-thirds of the voting rights exercised by the Shareholders present at the general meeting who represent a majority of the total issued and outstanding Shares</u> , provided that Articles 8 and 9 shall not apply. In respect of the issuance of Shares to Employees in the preceding sentence, the number	Amended to meet the operational needs of the Company.

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p>於掛牌期間，本公司<u>得以特別決議通過</u>發行限制員工權利新股予本公司及/或從屬公司之員工，不適用本章程第8條及第9條之規定。關於前述發行限制員工權利新股，其發行數量、發行價格、發行條件、限制及其他事項應遵守上市（櫃）規範及開曼法令之規定。</p>	<p>of Shares to be issued, issue price, issue conditions, restrictions and other matters shall be subject to the Applicable Listing Rules and the Law.</p> <p>於掛牌期間，本公司發行限制員工權利新股予本公司及/或從屬公司之員工，<u>應有代表已發行股份總數三分之二以上股東出席之股東會，以出席股東表決權過半數之同意行之，如出席股東之股份總數不足上述定額者，得以有代表已發行股份總數過半數股東之出席，出席股東表決權三分之二以上之同意行之</u>，不適用本章程第8條及第9條之規定。關於前述發行限制員工權利新股，其發行數量、發行價格、發行條件、限制及其他事項應遵守上市（櫃）規範及開曼法令之規定。</p>	
第 24 條	<p>(2) For the avoidance of doubt, where the proposed purchase and cancellation of Shares is not on a pro rata basis, subject to the Law and the Applicable Listing Rules, the Board is empowered to authorize and carry out such repurchase without approval by Special Resolution in accordance with the preceding Paragraph.</p>	<p>(2) For the avoidance of doubt, where the proposed purchase and cancellation of Shares is not on a pro rata basis, <u>such purchase and cancellation shall be made only at any time other than during the Relevant Period, and</u> subject to the Law and the Applicable Listing Rules, the Board is empowered to authorize and carry out such repurchase <u>and cancellation</u> without approval by Special Resolution in accordance with the preceding Paragraph.</p>	<p>Amended to meet the operational needs of the Company.</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	(2)為避免疑義，擬買回及銷除股份非依股東持股比例為之者， <u>除開曼法令及上市（櫃）規範另有規定外</u> ，本公司董事會 <u>有權</u> 決定之，無須依前項規定經股東會特別決議為之。	(2) 為避免疑義，擬買回及銷除股份非依股東持股比例為之者， <u>於非掛牌期間始得為之，且在符合開曼法令及上市（櫃）規範之情形下</u> ， <u>得由</u> 本公司董事會決定之，無須依前項規定經股東會特別決議為之。	
第 37 條	During the Relevant Period, the Company shall prepare a manual for each general meeting, and such manual and relevant materials shall be published on the website designated by the Commission and the Emerging Market, the TPEX or the TWSE (where applicable) twenty-one (21) days prior to the scheduled date of the relevant annual general meeting and fifteen (15) days prior to the scheduled date of the relevant extraordinary general meeting pursuant to the Applicable Listing Rules. However, in the event the Company's total paid-in capital as of the close of the most recent financial year reaches NT\$ 10 billion or more, or when the aggregate number of Shares held by the foreign investors and Mainland Chinese investors reached thirty percent (30%) or more as recorded in the Register at the time of holding of the general meeting in the most recent financial year, the Company shall upload the electronic files of the abovementioned manual and relevant materials thirty (30)	During the Relevant Period, the Company shall prepare a manual for each general meeting, and such manual and relevant materials shall be published on the website designated by the Commission and the Emerging Market, the TPEX or the TWSE (where applicable) twenty-one (21) days prior to the scheduled date of the relevant annual general meeting and fifteen (15) days prior to the scheduled date of the relevant extraordinary general meeting pursuant to the Applicable Listing Rules. However, in the event the Company's total paid-in capital as of the close of the most recent financial year reaches NT\$ 2 billion or more, or when the aggregate number of Shares held by the foreign investors and Mainland Chinese investors reached thirty percent (30%) or more as recorded in the Register at the time of holding of the general meeting in the most recent financial year, the Company shall upload the electronic files of the abovementioned manual and relevant materials thirty (30)	Article 37 is amended in accordance with the requirements of the Taiwan Stock Exchange's announcement (Ref. No. 1131701804) dated May 2, 2024, regarding the revisions to the 'Checklist for Protection of Shareholders' Rights in the Jurisdiction of a Foreign Issuer'

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p>days prior to the scheduled date of the relevant annual general meeting.</p> <p>於掛牌期間，本公司召開股東會應編製股東會議事手冊，並應依上市（櫃）規範之規定，於股東常會開會前二十一日或股東臨時會開會前十五日，將議事手冊及其他會議相關資料公告於金管會、興櫃市場、櫃買中心或證交所（如適用）指定之網站上。但本公司於最近會計年度終了當日實收資本額達新台幣 100 億 元以上或最近會計年度召開股東常會時股東名簿記載之僑外投資人及大陸地區投資人持股比率合計達百分之三十以上者，應於股東常會開會三十日前完成前開電子檔案之傳送。</p>	<p>days prior to the scheduled date of the relevant annual general meeting.</p> <p>於掛牌期間，本公司召開股東會應編製股東會議事手冊，並應依上市（櫃）規範之規定，於股東常會開會前二十一日或股東臨時會開會前十五日，將議事手冊及其他會議相關資料公告於金管會、興櫃市場、櫃買中心或證交所（如適用）指定之網站上。但本公司於最近會計年度終了當日實收資本額達新台幣 20 億 元以上或最近會計年度召開股東常會時股東名簿記載之僑外投資人及大陸地區投資人持股比率合計達百分之三十以上者，應於股東常會開會三十日前完成前開電子檔案之傳送。</p>	<p>(hereinafter referred to as the 'Shareholders' Rights Protection Checklist').</p>
第 46 條	<p>Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution:</p> <p>(t) <u>issue new Shares to Employees of the Company and/or its Subordinate Companies subject to any restrictions and conditions in accordance with Article 12;</u> and</p> <p>(1)除開曼法令或上市（櫃）規範另有規定外，下列事項應經股東會之特別決議為之：</p>	<p>(1) Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution:</p> <p>(t) <u>Intentionally Deleted</u>; and</p> <p>(1)除開曼法令或上市（櫃）規範另有規定外，下列事項應經股東會之特別決議為之：</p>	<p>Subparagraph (t), Paragraph (1), Article 46 is deleted to meet the operational needs of the Company.</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	(t)依據本章程第 12 條之規定發行限制員工權利新股予本公司及/或其從屬公司之員工；及	(t) <u>[刪除條款]</u> ；及	
第 77 條	<p>(1) During the Relevant Period, the number of Independent Directors of the Company shall not be less than three (3) or one-<u>fifth</u> of the total number of Directors at any time, whichever is greater. Two (2) of the Independent Directors shall have resident status of the R.O.C. (such resident status being registered with local government authorities) PROVIDED HOWEVER that the number of Independent Directors of the Company shall not be less than four (4) when the Chairman is also the general manager or holds an office equivalent to the general manager or when a spousal relationship or a familial relationship within the first degree of kinship as defined under the Civil Code of Taiwan exists between the Chairman and the general manager of the Company or between the Chairman and an officer equivalent to the general manager of the Company.</p> <p>(1) 於掛牌期間，本公司獨立董事席次不得少於三席且不得少於董事席次<u>五分之一</u>，其中至少二人必須在中華</p>	<p>(1) During the Relevant Period, the number of Independent Directors of the Company shall not be less than three (3) or one-<u>third</u> of the total number of Directors at any time, whichever is greater. Two (2) of the Independent Directors shall have resident status of the R.O.C. (such resident status being registered with local government authorities) PROVIDED HOWEVER that the number of Independent Directors of the Company shall not be less than four (4) when the Chairman is also the general manager or holds an office equivalent to the general manager or when a spousal relationship or a familial relationship within the first degree of kinship as defined under the Civil Code of Taiwan exists between the Chairman and the general manager of the Company or between the Chairman and an officer equivalent to the general manager of the Company.</p> <p>(1) 於掛牌期間，本公司獨立董事席次不得少於三席且不得少於董事席次<u>三分之一</u>，其中至少二人必須在中華</p>	<p>In accordance with Article 28-4 of the Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings, it is explicitly stipulated that the number of independent directors in the Company shall not be less than one-third of the total number of board seats.</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	民國設有戶籍。但本公司董事長與總經理或相當職務者為同一人或互為配偶或依中華民國民法定義之一親等親屬者，本公司獨立董事席次不得少於四席。	民國設有戶籍。但本公司董事長與總經理或相當職務者為同一人或互為配偶或依中華民國民法定義之一親等親屬者，本公司獨立董事席次不得少於四席。	
第 86 條	<p>Subject to the Law, one or more Members holding one percent (1%) or more of the total number of the issued Shares continuously for a period of six months or a longer time may request in writing <u>any Independent Director of</u> the audit committee to file, on behalf of the Company, an action against a Director who has, in the course of performing his/her duties, committed any act resulting in damage to the Company or in violation of the Law, the Applicable Listing Rules or these Articles, with a competent court, including the Taiwan Taipei District Court of the R.O.C. In case the <u>Independent Director</u> fails to file such action within thirty (30) days after receipt of such request, to the extent permitted under the laws of the Cayman Islands, the Members making such request may file the action for the Company.</p> <p>除開曼法令另有規定外，繼續六個月以上持有已發行股份總數百分之一以上之股東，得以書面請求審計委員會</p>	<p>Subject to the Law, one or more Members holding one percent (1%) or more of the total number of the issued Shares continuously for a period of six months or a longer time may request in writing the audit committee to file, on behalf of the Company, an action against a Director who has, in the course of performing his/her duties, committed any act resulting in damage to the Company or in violation of the Law, the Applicable Listing Rules or these Articles, with a competent court, including the Taiwan Taipei District Court of the R.O.C. In case the <u>audit committee</u> fails to file such action within thirty (30) days after receipt of such request, to the extent permitted under the laws of the Cayman Islands, the Members making such request may file the action for the Company.</p> <p>除開曼法令另有規定外，繼續六個月以上持有已發行股份總數百分之一以上之股東，得以書面請求審計委員會</p>	Article 86 is amended to comply with the requirements of the Shareholders' Rights Protection Checklist.

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p><u>之任一獨立董事</u>為本公司，向有管轄權之法院（包括臺灣臺北地方法院），對執行職務損害本公司或違反開曼法令、上市（櫃）規範或本章程之董事提起訴訟。<u>該獨立董事</u>自收受前述請求日起三十日內不提起訴訟時，於開曼法令允許之範圍內，該請求之股東得為本公司提起訴訟。</p>	<p>為本公司，向有管轄權之法院（包括臺灣臺北地方法院），對執行職務損害本公司或違反開曼法令、上市（櫃）規範或本章程之董事提起訴訟。<u>審計委員會</u>自收受前述請求日起三十日內不提起訴訟時，於開曼法令允許之範圍內，該請求之股東得為本公司提起訴訟。</p>	

* The amended Memorandum and Articles of Association of the Company shall prevail in the English version. If the amendments are solely for the correction of errors in the Company's Memorandum and Articles of Association, updates to the referenced version of the Cayman Islands Companies Law, or corrections in coding without substantial content changes, or merely for adjustments in the Chinese translation, no further notice shall be given.

Company Number: 4552

THE CAYMAN ISLANDS
THE COMPANIES ACT (AS REVISED)
TWELFTH AMENDED AND RESTATED MEMORANDUM
AND ARTICLES OF ASSOCIATION
OF
LIDA HOLDINGS LIMITED
力達控股有限公司

Incorporated on the 11th day of May, 2012

(as adopted by a Special Resolution passed on 13th June 2023)

THE CAYMAN ISLANDS
THE COMPANIES ACT (AS REVISED)
COMPANY LIMITED BY SHARES

TWELFTH AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION

OF

LIDA HOLDINGS LIMITED

力達控股有限公司

(as adopted by a Special Resolution passed on 13th June 2023)

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1. The name of the Company is LIDA HOLDINGS LIMITED (力達控股有限公司).
 2. The Registered Office of the Company shall be situated at the offices of WB Corporate Services (Cayman) Ltd., of P.O. Box 2775, Artemis House, 67 Fort Street, Grand Cayman, KY1-1111, Cayman Islands or such other place within the Cayman Islands as the Board may from time to time decide, being the registered office of the Company.
 3. Subject to the following provisions of this Memorandum of Association, the objects for which the Company is established are unrestricted, and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Act (As Revised).
 4. Subject to the following provisions of this Memorandum of Association, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of the Companies Act (As Revised).
 5. Nothing in this Memorandum of Association shall permit the Company to carry on a business of a bank or trust company without being licensed in that behalf under the Banks and Trust Companies Act (as revised) or to carry on insurance business from within the Cayman Islands or the business of an insurance manager, agent, sub-agent or broker without being licensed in that behalf under the Insurance Law (as revised)

or to carry on the business of company management without being licensed in that behalf under the Companies Management Act (as revised).

6. The Company shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
7. When conducting business, the Company shall comply with the laws and regulations as well as business ethics, and may take actions that will promote public interests in order to fulfil its social responsibilities.
8. The liability of each member is limited to the amount from time to time unpaid on such member's shares.
9. The share capital of the Company is NT\$1,500,000,000 divided into 150,000,000 ordinary shares of a nominal or par value of NT\$10.00 each with power for the Company, subject to the provisions of the Companies Act (As Revised) and the Articles of Association, to redeem or purchase any of its shares and to sub-divide, increase or reduce the said capital and to issue any part of its capital, original, redeemed, increased or reduced, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that, unless the condition of issue shall otherwise expressly declare, every issue of shares, whether declared to be ordinary, preference or otherwise, shall be subject to the power hereinbefore contained.
10. Capitalised terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company and the interpretations section of the Articles of Association of the Company shall apply to this Memorandum of Association.

THE CAYMAN ISLANDS
THE COMPANIES ACT (AS REVISED)
COMPANY LIMITED BY SHARES

TWELFTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

LIDA HOLDINGS LIMITED

力達控股有限公司

(as adopted by a Special Resolution passed on 13th June 2023)

INTERPRETATION

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

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

Applicable Listing Rules	the relevant laws, regulations, rules and codes as amended, from time to time, applicable as a result of the original and continued trading or listing of any shares on any Taiwan stock exchange or securities market, including, without limitation the relevant provisions of the Securities and Exchange Act of the R.O.C., the Company Act of the R.O.C., the Business Mergers And Acquisitions Act of the R.O.C., the Act Governing Relations Between Peoples of the Taiwan Area and the Mainland Area, and any similar laws, statutes and the rules and regulations of the R.O.C. authorities thereunder, and the rules and regulations promulgated by the Financial Supervisory
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	Commission, the TPEX and the TWSE (where applicable);
Articles	these Articles of Association of the Company in their present form, as amended, substituted or supplemented from time to time by a Special Resolution;
Auditors	the certified public accountant (if any) retained by the Company to audit the accounts of the Company, to audit and/or certify the financial statements of the Company or to perform other similar duties as assigned or requested by the Company for the time being;
Board	the board of Directors of the Company comprising all the Directors;
Capital Reserve	means (1) the Share Premium Account, (2) income from endowments received by the Company and (3) other items generated and treated as capital reserve pursuant to the Applicable Listing Rules or generally accepted accounting principles;
Chairman	has the meaning given thereto in Article 69;
Class or Classes	any class or classes of Shares as may from time to time be issued by the Company in accordance with these Articles;
Commission	the Financial Supervisory Commission of the R.O.C. or any other authority for the time being administering the Securities and Exchange Act of the R.O.C.;
Company	LIDA HOLDINGS LIMITED (力達控股有限公司);
Consolidation	the combination of two or more constituent companies into a consolidated company which is the new company that results from the consolidation of the

	constituent companies and the vesting of the undertaking, property and liabilities of such companies in the consolidated company within the meaning of the Law and the Applicable Listing Rules;
Director	a director of the Company or an Independent Director (if any) for the time being who collectively form the Board, and “Directors” means 2 or more of them (including any and all Independent Director(s));
Discount Transfer	has the meaning set out in Paragraph (4) of Article 23;
Electronic	shall have the meaning given to it in the Electronic Transactions Law (as revised) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force including every other law incorporated therewith or substituted therefore;
Emerging Market	the emerging market board of the TPEx in Taiwan;
Employees	employees of the Company and/or any of the Subordinate Companies of the Company, as determined by the Board from time to time in its sole discretion, and “Employee” shall mean any one of them;
Financial Statements	has the meaning set out in Article 104;
Independent Directors	those Directors designated as "Independent Directors" who are elected by the Members at a general meeting and appointed as "Independent Directors" for the purpose of these Articles and the requirements of the Applicable Listing Rules, and “Independent Director” means any one of them;
Juristic Person	a firm, corporation or other organization which is recognised by the Law and the Applicable Listing Rules as a legal entity;

Law	the Companies Act (As Revised) of the Cayman Islands and any amendment or other statutory modification thereof and every other act, order, regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum and/or these Articles, and where in these Articles any provision of the Law is referred to, the reference is to that provision as modified by any law for the time being in force;
Member or Shareholder	a Person who is duly registered as the holder of any Share or Shares in the Register for the time being, including persons who are jointly so registered and “Members” or “Shareholders” means 2 or more of them;
Memorandum	the memorandum of association of the Company, as amended or substituted from time to time;
Merger	the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company within the meaning of the Law and the Applicable Listing Rules;
Month	a calendar month;
NTD	New Taiwan Dollars;
Ordinary Resolution	a resolution:- (a) passed by a simple majority of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Members being Juristic Persons, by their respective duly authorised representatives or, where proxies are allowed, by proxy, present at a general meeting

of the Company held in accordance with these Articles;

- (b) at any time other than during the Relevant Period, approved in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being Juristic Persons by their duly authorized representatives); or
- (c) where the Company has only one Member, approved in writing by such Member signed by such Member and the effective date of the resolution so adopted shall be the date on which the instrument is executed;

Person	any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;
Preferred Shares	has the meaning given thereto in Article 4;
Private Placement	an offer by the Company of its Shares, bonds and other securities approved by the Commission to specific persons pursuant to the Applicable Listing Rules;
Register	the register of Members of the Company maintained in accordance with the Law at such place within or outside the Cayman Islands;
Registered Office	the registered office of the Company for the time being as required under the Law;
Relevant Period	the period commencing from the date on which any of the securities of the Company first become public offering or registered or listed on the Emerging Market, the TPEx, the TWSE or any Taiwan stock exchange or securities market to and including the date immediately before the day on which none of

	such securities are so registered or listed (and so that if at any time registration or listing of any such securities is suspended for any reason whatsoever and for any length of time, they shall nevertheless be treated, for the purpose of this definition, as registered or listed);
R.O.C. or Taiwan	the Republic of China, its territories, its possessions and all areas subject to its jurisdiction;
R.O.C. Courts	the Taiwan Taipei District Court or any other competent courts in the R.O.C.;
Seal	the common seal of the Company;
Secretary	any Person for the time being appointed by the Directors to perform any of the duties of the secretary of the Company and including any assistant, deputy, acting or temporary secretary;
Share	any share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;
Share Premium Account	the share premium account of the Company established in accordance with these Articles and the Law;
Shareholder Service Agent	the agent licensed by the R.O.C. authorities and having its offices in the R.O.C. to provide shareholder services, in accordance with the Applicable Listing Rules and the Regulations Governing the Administration of Shareholder Services of Public Companies of the R.O.C. (as revised), to the Company;

signed	bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a Person with the intent to sign the electronic communication;
Special Reserve	has the meaning set out in Article 95;
Special Resolution	<p>a special resolution of the Company passed in accordance with the Law, being a resolution:</p> <p>(a) passed by a majority of at least two-thirds of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Members being Juristic Persons, by their respective duly authorised representatives or, where proxies are allowed, by proxy, present at a general meeting of the Company held in accordance with these Articles, of which notice, specifying (without prejudice to the power contained in these Articles to amend the same) the intention to propose the resolution as a Special Resolution, has been duly given;</p> <p>(b) at any time other than during the Relevant Period, approved in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being Juristic Persons by their duly authorized representatives); or</p> <p>(c) where the Company has only one Member, approved in writing by such Member signed by such Member and the effective date of the special resolution so adopted shall be the date on which the instrument is executed.</p>

A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles;

Spin-off

an act wherein a transferor company transfers all of its independently operated business or any part of it to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to give shares, cash or other assets to the transferor company or to shareholders of the transferor company;

Subordinate Company

any company (a) of which a majority of the total outstanding voting shares or the total amount of the capital stock is held by the Company; (b) in which the Company has a direct or indirect control over the management of the personnel, financial or business operation of that company; (c) of which a majority of directors in such company are contemporarily acting as directors in the Company; or (d) of which a majority of the total outstanding voting shares or the total amount of the capital stock of such companies and that of the Company are held by the same Members;

TDCC

the Taiwan Depository & Clearing Corporation;

TPEX

the Taipei Exchange in Taiwan;

Treasury Shares

Shares that have been purchased by the Company and have not been cancelled but have been held continuously by the Company since they were purchased in accordance with the Law; and

TWSE

the Taiwan Stock Exchange Corporation.

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

SHARES

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

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

being unissued.

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

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

- (a) the total number of Preferred Shares that have been authorised to be issued and the numbers of the Preferred Shares already issued;
- (b) the order, fixed amount or fixed ratio of allocation of dividends, bonuses and other distributions on such Preferred Shares;
- (c) the order, fixed amount or fixed ratio of allocation of surplus assets of the Company, upon its liquidation, to the holders of the Preferred Shares;
- (d) the order of or restrictions on the voting right(s) (including, where applicable, a statement that such Preferred Shares have no voting rights whatsoever) of the holders of such Preferred Shares;
- (e) other matters concerning rights and obligations incidental to the Preferred Shares; and
- (f) the method by which the Company is authorised or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply.

(2) Subject to the Law, the Memorandum and these Articles shall be amended with the sanction of a Special Resolution to stipulate the rights, benefits and restrictions of such Preferred Shares and the number of the Preferred Shares the Company is authorised to issue.

During the Relevant Period, subject to the sufficiency of the authorised share capital of the

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

- (1) The Company shall issue Shares without printing share certificates, provided that the Register shall be conclusive evidence of the entitlement of a Person to Shares recorded against his/her/its name. During the Relevant Period, whenever the Company issues Shares, the Company shall, in compliance with the Law and the Applicable Listing Rules and subject to receipt of the subscription price from each subscriber, deliver or cause the Shareholder Service Agent to deliver Shares by advising TDCC to record the number of Shares against the name of each subscriber within thirty (30) days from the date the Board resolves to issue Shares. The Company shall make a public announcement in accordance with the Applicable Listing Rules prior to the delivery of such Shares.
- (2) When the total number of Shares in every issuance has been subscribed to in full, the Company shall immediately request each of the subscribers for payment. Where the Company issues Shares at a premium, the amount in excess of par value shall be collected at the same time with the payment for Shares. Where a subscriber delays payment for Shares as mentioned above, the Company shall prescribe a period of not less than one (1) month and call upon each subscriber to pay up, declaring that in case of default of payment within that prescribed period the subscriber's right shall be forfeited. After the Company have made the aforesaid call, the subscribers who fail to pay accordingly shall forfeit their rights and the Shares subscribed to by them shall be otherwise sold. Under such circumstances, the Company may hold the subscriber liable for compensating the damage, if any, resulting from such default in payment.
- (3) The Company shall not issue bearer Shares.
- (4) The Company shall not issue any unpaid Shares or partial paid-up Shares to any Person. For the avoidance of doubt, a subscriber who fails to pay up the Shares pursuant to Paragraph (2) of this Article will not be considered a Member until the Shares to be subscribed are paid in full, and only if the Shares the subscriber subscribed have been paid in full may the subscriber's name be entered in the Register.

- (5) The Company shall neither issue Shares without par value nor convert its Shares from Shares with par value to Shares without par value.

During the Relevant Period:

- (a) upon each issuance of new Shares, the Board may reserve not more than fifteen percent (15%) of the new Shares for subscription by the Employees pursuant to the Law and the Applicable Listing Rules; and
- (b) where the Company issues new Shares for cash consideration, after the Board reserving certain percentage of the new Shares for subscription by the Employees pursuant to Subparagraph (a) of this Article, the Company shall allocate ten percent (10%) (or such greater percentage as the Company by an Ordinary Resolution determines) of the total number of the new Shares to be issued for offering in the R.O.C. to the public unless (i) the Commission, the Emerging Market, the TPEx and/or the TWSE (where applicable) considers such public offering unnecessary or inappropriate or (ii) the Applicable Listing Rules provide otherwise.

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

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

(c) new Shares left unsubscribed may be offered to the public or to specific Persons through negotiation.

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

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

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

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

- (e) new Shares are issued for a Spin-off effected by the transferor company;
- (f) new Shares are issued in connection with any Private Placement conducted pursuant to Article 13; or
- (g) new Shares are issued in connection with any other event otherwise prohibited, limited, restricted or exempted to so apply pursuant to the Law and/or the Applicable Listing Rules.

(3) New Shares issued for any of the circumstances in the preceding Paragraph may be paid up in cash or assets as required for the business of the Company.

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

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

- (1) During the Relevant Period and subject to the Applicable Listing Rules, the Company may, with the sanction of a Special Resolution, conduct a Private Placement with any of the following Persons in the R.O.C.:
 - (a) banks, bills finance enterprises, trust enterprises, insurance enterprises, securities enterprises, or other Juristic Persons or institutions approved by the Commission;

(b) natural persons, Juristic Persons, or funds meeting the conditions prescribed by the Commission; or

(c) directors, supervisors, officers and managers of the Company or its affiliated enterprises.

(2) Subject to the preceding Paragraph, the Board may resolve, by a majority of the Directors presents at a meeting attended by two-thirds or more of the total numbers of the Directors, that a Private Placement of ordinary corporate bonds be carried out by installments within one year of the date of such resolution.

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

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

MODIFICATION OF RIGHTS

Whenever the share capital of the Company is divided into different Classes of Shares, including where Preferred Shares are issued, subject to Article 46 and in addition to a Special Resolution, the special rights attached to any Class shall be varied or abrogated with the sanction of a Special Resolution passed at a separate general meeting of the holders of the Shares of such Class. To every such separate general meeting and all adjournments thereof, all the provisions of these Articles relating to general meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply.

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

REGISTER

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

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

REDEMPTION AND REPURCHASE OF SHARES

(1) Subject to the Law and these Articles, Shares may be issued on the terms that they are, or at the option of the Company or the holder are, to be redeemed on such terms and in such manner as the Company, before the issue of the shares, may by Special Resolution determine.

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

(1) Subject to the Law, the Applicable Listing Rules and these Articles, upon the approval of a majority of the Directors present at a Board meeting attended by two-thirds or more of Directors, the Company may purchase its own Shares.

(2) During the Relevant Period:

(a) The number of Shares to be purchased by the Company from time to time shall not exceed ten percent (10%) of the total number of issued and outstanding Shares and the total amount of the Shares to be purchased by the Company shall not exceed the aggregate amount of

retained profits, premium on capital stock, and realized Capital Reserve.

- (b) Such resolutions of the Board approving purchases of Shares and the implementation thereof (including the failure of any purchase of Shares as approved by such resolutions, if any) shall be reported to the Shareholders at the next general meeting of the Company.
- (1) Shares repurchased, redeemed or acquired (by way of surrender or otherwise) by the Company shall be cancelled immediately or held as Treasury Shares, upon such terms and manner and subject to such conditions as the Board thinks fit.
 - (2) During the Relevant Period, all matters relating to the Company's redemption and repurchase of Shares shall be subject to the Law and the Applicable Listing Rules.
- (1) Subject to the Law, for so long as the Company holds Treasury Shares, the Company shall be entered in the Register as the holder of the Treasury Shares, provided that:
 - (a) the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
 - (b) the Treasury Shares shall not be pledged or encumbered in any manner whatsoever;
 - (c) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued Shares at any given time, whether for the purposes of these Articles or the Law; and
 - (d) no dividend/bonus may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up) may be made to the Company, in respect of a Treasury Share.

- (2) Subject to the Law and these Articles, any or all Treasury Shares may at any time be canceled or transferred to any person (including the Employees; the qualifications of such employees shall be determined by the Board, subject to Paragraph (5) of this Article) upon such terms and manner and subject to such conditions as the Board thinks fit. The Board may determine, at its discretion, the terms and conditions (including a lock-up period restricting the transfer of any Treasury Shares transferred to the Employees pursuant to this Paragraph (2) for a term of up to two (2) years) of such transfer.
- (3) A sum equal to the consideration (if any) received by the Company pursuant to the transfer of Treasury Share(s) shall be credited in accordance with the Law.
- (4) Subject to Paragraph (5) of this Article and the Law, the Company may, by way of a Special Resolution passed at the next general meeting of the Company, transfer the Treasury Shares to the Employees for a price that is below the average price that the Company has paid to purchase such Treasury Shares (the “**Discount Transfer**”), provided that the following matters shall be specified in the notice of such general meeting with the description of their major contents, and shall not be proposed as ad hoc motions:
 - (a) the transfer price of the Treasury Shares as determined by the Board, the discount rate used for the Discount Transfer, and the calculation basis of the Discount Transfer, and the basis of such determination;
 - (b) the amount of the Treasury Shares to be transferred pursuant to, and the purpose of, the Discount Transfer, and the basis of such determination;
 - (c) the qualification and terms of the Employees to whom the Treasury Shares are transferred and the amount of Treasury Shares for which such Employees may subscribe pursuant to the Discount Transfer;
 - (d) matters that the Board is of the opinion that may affect Shareholders' equity, including:
 - (i) any expenses that may be incurred and dilution of per share profit, if any, due to the Discount Transfer in accordance with the Applicable Listing Rules; and

- (ii) any burden on the Company caused by the Discount Transfer in accordance with the Applicable Listing Rules.
- (5) The total aggregate amount of the Treasury Shares to be transferred to the Employees pursuant to the Discount Transfer in accordance with Paragraph (4) of this Article shall not exceed five percent (5%) of the total number of issued and outstanding Shares of the Company, and each Employee shall not subscribe for more than point five percent (0.5%) of the total issued and outstanding Shares of the Company in aggregate.
- (1) Notwithstanding anything to the contrary contained in these Articles but subject to the Law, the Company may carry out a compulsory purchase and cancellation of its Shares on a pro rata basis (rounded up or down to the nearest whole number) among the Shareholders in proportion to the number of Shares held by each such Shareholder subject to approval by a Special Resolution. The purchase price payable to the Shareholders in connection with a purchase of Shares described in the preceding sentence may be paid in cash or in kind. Where any purchase price is paid in kind, the type of such payment in kind and the corresponding amount of such substitutive distribution shall be subject to approval by a Special Resolution as well as individual consent by the Shareholder(s) receiving such payment in kind. Prior to convening the general meeting for approving such purchase of Shares, the Board shall determine the monetary equivalent value of any purchase price to be paid in kind and have such value audited and certified by a certified public accountant in the R.O.C.
- (2) For the avoidance of doubt, where the proposed purchase and cancellation of Shares is not on a pro rata basis, subject to the Law and the Applicable Listing Rules, the Board is empowered to authorize and carry out such repurchase without approval by Special Resolution in accordance with the preceding Paragraph.

TRANSFER AND TRANSMISSION OF SHARES

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

The Company shall not be obligated to recognize any transfer or assignment of Shares unless the name/title and residence/domicile of the transferor and transferee have been recorded in the Register. The registration of transfers may be suspended when the Register is closed in accordance with Article 28.

NON-RECOGNITION OF TRUSTS

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

CLOSING REGISTER OR FIXING RECORD DATE

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

GENERAL MEETINGS

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

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

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

- (1) Any one or more Member(s) may, by depositing the requisition notice specifying the proposals to be resolved and the reasons thereof, request the Board to convene an extraordinary general meeting, provided that such Member or Members continuously hold at least three percent (3%) of the issued Shares of the Company as at the date of deposit of the requisition notice for a period of at least one year immediately prior to that date. If the Board does not give notice to Members to convene such meeting within fifteen (15) days after the date of the requisition notice, the proposing Member(s) may convene a general meeting.
- (2) Any one or more Member(s) continuously holding more than half of the total issued Shares of the Company for a period of no less than three months may convene an extraordinary general meeting. The number of Shares held by such Member or Members and the holding period of which such Member or Members hold such Shares shall be calculated and determined based on the Register as of the first day of the Book Closure Period.

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

NOTICE OF GENERAL MEETING

- (1) During the Relevant Period, at least thirty (30) days' notice of an annual general meeting and fifteen (15) days' notice of an extraordinary general meeting shall be given to each Member, and subject to the Law and the Applicable Listing Rules, the Company may make a public announcement of a notice of general meeting to Members holding less than 1,000 Shares instead of delivering the same to each Member. The period of notice shall be exclusive of the day on which it is served and of the day on which the general meeting is to be held. Such notice shall be in writing, shall specify the place, the day and the time of meeting and the agenda and the proposals to be resolved at the general meeting and shall be given in the manner hereinafter described or be given via electronic communications if previously consented by the Members and permitted by the Law and the Applicable Listing Rules.
- (2) At any time other than the Relevant Period, at least five (5) days' notice in writing shall be given of an annual general meeting or any other general meeting PROVIDED HOWEVER that notice may be waived by all the Member either at or before the meeting is held PROVIDED FURTHER that notice or waiver thereof may be given by email, telex or telefax. At any time other than the Relevant Period, a general meeting may be convened by such shorter notice with the consent of a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five percent (95%) in nominal value of the Shares giving that right.
- (1) During the Relevant Period, the Company shall make public announcements with regard to notice of general meeting, proxy form, summary information and details about items to be proposed at the meeting for approval, discussion, election or dismissal of Directors at least thirty (30) days prior to any annual general meeting or at least fifteen (15) days prior to any extraordinary general meeting.
- (2) During the Relevant Period, if the Company allows the Shareholders to exercise the votes and cast the votes in writing or by way of electronic transmission in accordance with Article 57, the Company shall also send to the Shareholders the information and documents as described in the preceding Paragraph, together with the voting right exercise forms.

The following matters shall not be considered, discussed or proposed for approval at a general meeting unless they are specified in the notice of general meeting with the

description of their major contents; the major contents may be posted on the website designated by the R.O.C. competent authorities or the Company, and such website shall be indicated in the notice:

- 1.5 any election or removal of Director(s);
- 1.6 any alteration of the Memorandum and/or these Articles;
- 1.7 any capital reduction or compulsory purchase and cancellation of Shares pursuant to Paragraph (1) of Article 24;
- 1.8 applying for the approval of ceasing the status as a public company;
- 1.9 any dissolution, voluntary winding-up, Merger, Consolidation, share exchange, or Spin-off of the Company;
- 1.10 entering into, amending, or terminating any contract for lease, management or regular joint operation of the Company's whole business;
- 1.11 the transfer of the whole or any material part of the Company's business or assets;
- 1.12 the acquisition of the whole business or assets of a Person, which has a material effect on the operation of the Company;
- 1.13 carrying out a Private Placement of any equity-type securities issued by the Company;
- 1.14 granting a waiver to a Director's non-competition obligation or approving a Director to engage in activities in competition with the Company;
- 1.15 distributing dividends, bonuses or other distributions payable on or in respect of the Share in whole or in part by way of issuance of new Shares; and
- 1.16 capitalisation of the Company's Special Reserve, the Share Premium Account and/or the income from endowments received by the Company in the Capital Reserve, by issuing new Shares and/or cash to its existing Members.

During the Relevant Period, the Company shall prepare a manual for each general meeting,

and such manual and relevant materials shall be published on the website designated by the Commission and the Emerging Market, the TPEX or the TWSE (where applicable) twenty-one (21) days prior to the scheduled date of the relevant annual general meeting and fifteen (15) days prior to the scheduled date of the relevant extraordinary general meeting pursuant to the Applicable Listing Rules. However, in the event the Company's total paid-in capital as of the close of the most recent financial year reaches NT\$10 billion or more, or when the aggregate number of Shares held by the foreign investors and Mainland Chinese investors reached thirty percent (30%) or more as recorded in the Register at the time of holding of the general meeting in the most recent financial year, the Company shall upload the electronic files of the abovementioned manual and relevant materials thirty (30) days prior to the scheduled date of the relevant annual general meeting.

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

PROCEEDINGS AT GENERAL MEETINGS

- (1) No business, other than the appointment of a chairman of the meeting, shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as otherwise provided by these Articles, at least two Members present in person or by proxy or (in the case of a Member being a corporation) by its duly authorised representative representing more than one-half of the total issued and outstanding Shares with voting rights shall be a quorum of Members for all purposes.
- (2) When a general meeting is held, a Member may participate in the general meeting through the medium of video conference call or any other form of communications designated and announced by the competent authority in the R.O.C. A Member participating in this way is deemed to be present in person at the general meeting.
- (3) With respect to participation of a general meeting through the medium of video conference call referred to in the preceding Paragraph, the Company shall comply with the conditions, operating procedures and other matters prescribed by the Applicable Listing Rules

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

general meeting, inform all the proposing Members of whether their proposals are accepted or not, and shall list in the notice of the relevant annual general meeting all the accepted proposals. The Board shall explain at the relevant annual general meeting the reasons for excluding any proposal submitted by Members.

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

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

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

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

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

(1) Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution:

1.17 enter into, amend, or terminate any contract for lease, management or regular joint operation of its whole business;

1.18 transfer the whole or any material part of its business or assets;

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

- 1.20 distribute dividends, bonuses or other distributions in whole or in part by way of issuance of new Shares;
- 1.21 effect any Spin-off of the Company;
- 1.22 enter into any share exchange;
- 1.23 authorise a plan of Merger or Consolidation involving the Company;
- 1.24 resolve that the Company be wound up voluntarily;
- 1.25 carry out a Private Placement;
- 1.26 grant a waiver to a Director's non-competition obligation, or approve a Director to engage in activities in competition with the Company;
- 1.27 change its name;
- 1.28 change the currency denomination of its share capital;
- 1.29 increase the share capital by such sum, to be divided into new Shares of such Classes of such par value, as the resolution shall prescribe;
- 1.30 consolidate and divide all or any of its share capital into Shares of a larger par value than its existing Shares;
- 1.31 subdivide its existing Shares, or any of them, into Shares of a smaller par value than is fixed by the Memorandum;
- 1.32 cancel any Shares that, at the date of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled;
- 1.33 subject to these Articles (including without limitation Articles 16 and 17), alter or amend the Memorandum or these Articles, in whole or in part;
- 1.34 reduce its share capital and any fund of the capital redemption reserve in any manner authorised by the Law and the Applicable Listing Rules;
- 1.35 appoint an inspector to examine the affairs of the Company under the Law;

1.36 issue new Shares to Employees of the Company and/or its Subordinate Companies subject to any restrictions and conditions in accordance with Article 12; and

1.37 apply for the approval of ceasing the status as a public company.

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

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

- (1) Subject to the compliance with the Law, in the event any of the resolutions with respect to the matter(s) as set out in Subparagraph (a), (b) or (c) of Paragraph (1) of Article 46 is adopted at a general meeting, a Member who has notified the Company in writing of his objection to such proposal prior to that meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair price; provided, however, that no Member shall have the above-mentioned appraisal right if the resolution to be adopted is in relation to the matter(s) set out in Subparagraph (b) of Paragraph (1) of Article 46 and at the same meeting the resolution for the winding up of the Company is also adopted.
- (2) Subject to the compliance with the Law, in the event that the Company resolves to carry out any Spin-Off, Consolidation, Merger, acquisition or share exchange (collectively, the "**Merger and Acquisition**"), a Member expressing his dissent in accordance with the Applicable Listing Rules may request the

Company to purchase all of his Shares at the then prevailing fair price.

- (3) Without prejudice to the Law, a Member who votes against or waives his voting right at the meeting may request the Company to repurchase all of his Shares pursuant to Paragraphs (2) of this Article. In the event the Company and such Member fail to reach an agreement on the purchase price within sixty (60) days following the date of the resolution, the Company shall, within thirty (30) days after such sixty (60) days period, file a petition against all Members who fail to reach such an agreement (collectively, the "**Dissenting Members**") with the R.O.C. Courts for a ruling on the appraisal price, and may designate Taiwan Taipei District Court of the R.O.C. as the court of first instance. Any and all votes waived by a Member referred to in this Paragraph shall not be counted toward the number of votes represented by the Members present at a general meeting.
- (4) Without prejudice to the Law, a Member making a request pursuant to Paragraphs (1) or (2) of this Article shall make such request in writing within twenty (20) days after the date of the general meeting adopting resolutions with respect to the matter(s) as set out in Subparagraph (a), (b) or (c) of Paragraph (1) of Article 46 or the Merger and Acquisition, and specify the repurchase price. If the Member and the Company reach an agreement on the repurchase price, the Company shall pay for the Shares to be repurchased within ninety (90) days after the date of the general meeting adopting such resolutions. In case no agreement is reached, the Company shall pay the fair repurchase price determined at its discretion to the Dissenting Members with whom the Company fail to reach an agreement within ninety (90) days after the date of the general meeting adopting such resolutions. If the Company fails to pay the price, it shall be considered to have accepted the repurchase price proposed by such Dissenting Members.
- (5) Notwithstanding Paragraphs (2), (3) and (4) of this Article, nothing under this Article shall restrict or prohibit a Member from exercising his right under section 238 of the Companies Act (As Revised) of the Cayman Islands and any amendment or other statutory modification thereof to payment of the fair value of his shares upon dissenting from a Consolidation or Merger.

In case the procedure for convening a general meeting in which a resolution is adopted or the method of adopting a resolution is in violation of the Law, the Applicable Listing Rules or these Articles, a Member may, if and to the extent permitted under the Law, within thirty (30) days from the date of the resolution, submit a petition to the Taiwan Taipei

District Court of the R.O.C., as applicable, for an appropriate remedy, including but not limited to, requesting the court to invalidate and cancel the resolution adopted therein.

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

The proceedings regarding general meetings and the voting in general meetings not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by the Company by an Ordinary Resolution from time to time, which shall be in compliance with the Law and the Applicable Listing Rules (in particular the Rules Governing the Conduct of Shareholders Meetings of R.O.C. Public Companies).

VOTES OF MEMBERS

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

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

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

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

(1) Subject to the Law and the Applicable Listing Rules, Shares held by the following

persons shall not be counted in the total number of issued Shares of the Company which are entitled to vote for when calculating the quorum at a general meeting and Members belonging to the following persons shall abstain from voting in respect of all Shares held by them:

- (a) the Company itself (if such holding is permitted by the Law);
 - (b) any entity in which the Company is legally or beneficially interested in more than fifty percent (50%) of its issued and voting share capital or equity capital; or
 - (c) any entity in which the Company and (i) its holding company, and (ii) its Subordinate Company are legally or beneficially, directly or indirectly, interested in more than fifty percent (50%) of its issued and voting share capital or equity capital.
- (2) Any Member who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a general meeting shall abstain from voting in respect of all the Shares that such Member should otherwise be entitled to vote, on his behalf or as a proxy or corporate representative, with respect to the said matter. Any and all votes cast by such Member(s) shall not be counted in determining the number of votes for or against such matter.
- (3) Where any Director, who is also a Shareholder of the Company, creates or has created any charge, mortgage, encumbrance or lien in respect of Shares held by such Director (the "**Charged Shares**") exceeding fifty percent (50%) of total Shares held by such Director at the time of his/her latest appointment as Director, such Director shall refrain from exercising its voting rights on the Shares representing the difference between the Charged Shares and fifty percent (50%) of total Shares held by such Director at the time of his/her latest appointment as Director, and such Shares shall not carry the voting rights and shall not be counted toward the number of votes represented by the Shareholders present at a general meeting but shall be included in the quorum.

To the extent permitted by the Law, the Board may resolve that the voting power of a Member at a general meeting may be exercised by way of a written ballot or by way of electronic transmission. The method for exercising such voting power shall be described in the general meeting notice to be given to the Members if the voting power may be exercised

by way of a written ballot or electronic transmission. Notwithstanding the foregoing, during the Relevant Period, subject to the Applicable Listing Rules, the Company shall adopt the electronic transmission as one of the methods for exercising the voting power of a Member. Any Member who intends to exercise his voting power by way of a written ballot or by way of electronic transmission shall serve the Company with his voting decision at least two (2) days prior to the date of such general meeting. Where more than one voting decision are received from the same Member by the Company, the first voting decision shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous voting decision in the later-received voting decision. A Member who exercises his voting power at a general meeting by way of a written ballot or by electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to vote his Shares at the general meeting only in the manner directed by his written instrument or electronic document. The chairman of the general meeting as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electronic document, impromptu proposal and/or any amendment to resolution(s) proposed at the said general meeting. For the purpose of clarification, such Members voting in such manner shall be deemed to have waived their voting rights with respect to any extemporary matters or amendment to resolution(s) proposed at the general meeting.

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

PROXY

- (1) A Member may appoint a proxy to attend a general meeting on his behalf by executing a proxy form produced by the Company stating therein the scope of power authorized to the proxy. A proxy need not be a Member.
- (2) Subject to the Law and unless otherwise provided in these Articles, forms of instrument of proxy for use at a general meeting shall be produced by the Company specifying therein (a) the instructions for filling out the form, (b) the matters to be entrusted by the Member or to be voted upon pursuant to such proxy, and (c) the basic information of the Member as appointor, the proxy and the proxy solicitor (if any), and shall be sent out together with the notice of general meeting

to all Members on the same day.

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

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

A Member who has served the Company with his voting decision in accordance with Article 57 for the purpose of exercising his voting power by way of a written ballot or by way of electronic transmission may appoint a person as his proxy to attend the meeting in accordance with these Articles, in which case the vote cast by such proxy shall be deemed to have revoked his previous voting decision served on the Company and the Company shall only count the vote(s) cast by such expressly appointed proxy at the meeting.

During the Relevant Period, except for trust enterprises or shareholder service agencies duly licensed under the R.O.C. competent authorities or the chairman of a general meeting who is deemed appointed as proxy pursuant to Article 57, where a Person acts as a proxy for two or more Members, the number of voting Shares that the proxy may vote in respect thereof shall not exceed three percent (3%) of the total number of issued and outstanding voting Shares; otherwise, such number of voting Shares in excess of the aforesaid threshold shall not be counted towards the number of votes cast for or against the relevant resolution or the number of voting Shares present at the relevant general meeting but shall be included in the quorum. Upon such exclusion, the number of voting Shares being excluded and attributed to each Member represented by the same proxy shall be determined on a pro-rata basis based on the total number of voting Shares being excluded and the number of voting Shares that such Members have appointed the proxy to vote for.

The use and solicitation of proxies not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by the Board from time to time, which shall be in compliance with the Law and the Applicable Listing Rules (in particular, the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of R.O.C. Public Companies (as amended, supplemented or otherwise modified from time to time)).

DIRECTORS AND THE BOARD

- (1) The Board shall consist of not less than five (5) Directors (including Independent Directors). Subject to the foregoing, the number of Directors to be elected and hold the office shall be stated in the notice of the general meeting in which an election of Directors will be held.
- (2) A Director can be a natural person or a Juristic Person. Where a Director is a Juristic Person, it shall designate a natural person as its authorized representative to exercise, on its behalf, the powers of a Director and may replace such representative from time to time so as to fulfil its remaining term of the office. A Director shall not be required to hold any Shares in the Company.
- (3) Directors shall be elected by Members at general meetings. Any Juristic Person which is a Member shall be entitled to appoint a natural person or natural persons as its representative(s) to be nominated for election as Director in accordance with these Articles.
- (4) The principle of cumulative voting shall apply in any election of Directors pursuant to this Article. Each Member entitled to vote in such election shall have a number of votes equal to the product of (a) the number of votes conferred by such Member's Shares and (b) the number of Directors to be elected at the general meeting. Each Member may divide and distribute such Member's votes, as so calculated, among any one or more candidates for the directorships to be filled, or such Member may cast such Member's votes for a single candidate. At such election, the candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be elected. Notwithstanding anything to the contrary in this Paragraph (4) of this Article, at any time other than the Relevant Period, the Company may by Ordinary Resolution appoint any Person to be a Director or remove any Director from office.

- (5) The proceedings and the voting regarding the election of Directors not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by an Ordinary Resolution from time to time, which shall be in compliance with the Law and the Applicable Listing Rules (in particular, the Methods of Election of Directors and Supervisors of R.O.C. Public Companies).

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

Subject to these Articles, each Director shall be appointed to a term of office of three (3) years and is eligible for re-election. In case no election of new Directors is effected prior to the expiration of the term of office of existing Directors, the term of office of such existing Directors shall be extended until the time such Directors are re-elected or new Directors are duly elected and assume their office subject to these Articles. In the event of any vacancy in the Board, the new Director elected in the general meeting shall fill the vacancy for the residual term of office.

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

A chairman of the Board (the “**Chairman**”) shall be elected from among the Directors and appointed in term by a majority of the Directors present at a Board meeting attended by at least two-thirds of all of the Directors then in office. A vice chairman of the board (the “**Vice Chairman**”) may also be elected from among the Directors and appointed by a majority of the Directors present at a Board meeting attended by at least two-thirds of all of the Directors then in office. The Chairman shall externally represent the Company and internally preside as the chairman at every Board meeting and at every general meeting convened by the Board. In the event the Chairman is not present at a meeting or cannot or will not exercise his powers and duties for any cause, the Vice Chairman shall act as the Chairman and perform all of the powers and duties provided for the Chairman. In case there is no Vice Chairman or the Vice Chairman is also unable to present at a meeting or cannot or will not exercise such powers and duties of the Chairman in the absence of the Chairman for any cause, the Chairman shall designate one of the Directors to act on his behalf. In the absence of such designation, the Directors present at the meeting shall elect from among themselves an acting chairman. In case of death, disability, incompetence, resignation of the Chairman under these Articles or non-performance of powers and duties by the Chairman for a continuous period of at least three (3) months or more, any Director may convene a Board meeting within thirty (30) days of the occurrence of the death, disability, incompetence, resignation of the Chairman or within thirty (30) days after the non-performance of powers and duties by the Chairman for a continuous period of three (3) months to elect another Person to be the Chairman under these Articles.

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

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

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

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

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

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

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

INDEPENDENT DIRECTORS

- (1) During the Relevant Period, the number of Independent Directors of the Company shall not be less than three (3) or one-fifth of the total number of Directors at any time, whichever is greater. Two (2) of the Independent Directors shall have resident status of the R.O.C. (such resident status being registered with local government authorities) PROVIDED HOWEVER that the number of Independent Directors of the Company shall not be less than four (4) when the Chairman is also the general manager or holds an office equivalent to the general manager or when a spousal relationship or a familial relationship within the first degree of kinship as defined under the Civil Code of Taiwan exists between the Chairman and the general manager of the Company or between the Chairman and an officer equivalent to the general manager of the Company.
- (2) Subject to the foregoing, the number of Independent Directors to be elected and hold the office shall be stated in the notice of the general meeting in which an election of Independent Directors will be held. When an Independent Director ceases to act, resulting in a number of Independent Directors then in office lower than the prescribed minimum number, an election for an Independent Director shall be held at the next general meeting. When all Independent Directors cease to act, the Company shall convene an extraordinary general meeting to hold an election of Independent Directors within sixty (60) days from the date on which the situation arose.

Independent Directors shall possess professional knowledge and shall maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions held by the Independent Directors shall be as

prescribed by the Applicable Listing Rules, and the assessment of independence of such Independent Directors shall be in compliance with the Applicable Listing Rules. The Board or other Persons calling a general meeting at which an election for Independent Directors is proposed shall ensure that the requirements of this Article have been satisfied and complied with in relation to any candidate for Independent Director.

POWERS AND DUTIES OF THE BOARD

- (1) Subject to the Law, these Articles, the Applicable Listing Rules and any resolutions passed in a general meeting, the business of the Company shall be managed by the Board in such manner as it shall think fit, which may pay all reasonable expenses in connection with business management, including but not limited to expenses incurred in forming and registering the Company and may exercise all powers of the Company.
- (2) If the Board fails to comply with the Applicable Listing Rules, these Articles and any resolutions passed in a general meeting in dealing with matters in connection with Spin-off, Consolidation, Merger, or acquisition of the Company, as a result of which the Company suffers damages, any Director involved in decision-making related thereto shall be liable to the Company in respect of the damages suffered by the Company. However, a Director may be exempted from the liability if the minutes of the Board meeting or written statement demonstrates such Director's dissent.
- (3) Except as otherwise provided by these Articles, the compensation to be paid to the Directors shall be determined by the Board in accordance with the standard prevalent in the industry by reference to recommendation made by the remuneration committee (if established). Such compensation shall be deemed to accrue from day to day, and the Directors shall also be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from Board meetings of the Directors, or any committee established under Article 82, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Board from time to time, or a combination partly of one such method and partly the other.

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

Board may think fit. Any Person so appointed by the Board may be removed by the Board.

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

COMMITTEES

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

82.1(1) During the Relevant Period, unless otherwise provided by the Law and the Applicable Listing Rules, the Company shall establish an audit committee; regulations governing the professional qualifications for its members, the formation of audit committee, the exercise of their powers of office, and related matters shall be prescribed and amended from time to time by the Board in accordance with the Applicable Listing Rules.

(2) The audit committee of the Company shall be composed of all the Independent Directors. The audit committee shall not be fewer than three Persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise. A resolution of the audit committee shall have the concurrence of one-half or more of the members of the audit committee.

(3) The following matters shall be subject to the consent of one-half or more of all

members of the audit committee of the Company and shall be thereafter submitted to the Board for a resolution:

- (a) Adoption or amendment of an internal control system.
 - (b) Assessment of the effectiveness of the internal control system.
 - (c) Adoption or amendment of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
 - (d) A matter bearing on the personal interest of a Director.
 - (e) A material asset or derivatives transaction.
 - (f) A material monetary loan, endorsement, or provision of guarantee.
 - (g) The offering, issuance, or Private Placement of any equity-type securities.
 - (h) The hiring or dismissal of an Auditor, or the compensation given thereto.
 - (i) The appointment or discharge of a financial, accounting, or internal auditing officer.
 - (j) Annual and semi-annual financial reports.
 - (k) Any other material matter so required by the Company or the competent authority.
- (4) With the exception of Subparagraph (j) above, any matter under a subparagraph of the preceding Paragraph that has not been approved with the consent of one-half or more of all members of the audit committee of the Company may be undertaken upon the approval of two-thirds or more of the Directors, without regard to the restrictions of the preceding Paragraph, and such resolution of the audit committee of the Company shall be recorded in the minutes of the Board meeting.

82.2(1) During the Relevant Period, unless otherwise provided by the Law and the Applicable Listing Rules, the Company shall establish a remuneration committee; regulations governing the professional qualifications for its members, the formation of remuneration committee, the exercise of their powers of office, and related matters shall be prescribed and amended from time to time by the Board in

accordance with the Applicable Listing Rules. Remuneration referred to in this Paragraph shall include salary, stock options, and any other substantive incentive measures for Directors and managerial officers under the Law or the Applicable Listing Rules.

- (2) The members of the remuneration committee of the Company shall be appointed by the Board and shall not be fewer than three members, a majority of whom shall be the Independent Directors.
- (3) The remuneration committee of the Company shall exercise the care of a good administrator and in good faith when performing the official powers listed below, and shall submit its recommendations for deliberation by the Board:
 - (a) Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for Directors and officers.
 - (b) Periodically evaluate and prescribe the remuneration of Directors and officers.
 - (c) Any other material matter so required by the Company or the competent authority.

82.3(1) During the Relevant Period, prior to any resolution of the Merger and Acquisition by the Board, the audit committee of the Company shall review the fairness and reasonableness of the plan and transaction of the Merger and Acquisition, and then submit review results to the Board and the general meeting of the Company. However, the audit committee of the Company may elect not to submit the aforesaid review results to the Members at a general meeting if the Law provides that the Merger and Acquisition to be resolved requires no approval by the Members.

- (2) When reviewing the above-mentioned matters, the audit committee of the Company shall seek opinions from an independent expert on the reasonableness of the share exchange ratio or the distribution of cash or other assets.
- (3) The Company shall send the review results of the audit committee of the Company and opinions of independent experts to all Members together with the notice of general meeting in which the Merger and Acquisition is to be resolved. However, the Company shall report the Merger and Acquisition to the Members

at the most recent general meeting if the Law provides that the Merger and Acquisition to be resolved requires no approval by the Members.

- (4) If the Company posted the aforesaid review results and opinions of independent experts on a website designated by the R.O.C. competent authorities and arranged for the same documents to be made available at the venue of the general meeting of the Company for inspection by Members, those documents shall be deemed as having been sent to all Members.

DISQUALIFICATION AND VACATION OF OFFICE OF DIRECTORS

- (1) During the Relevant Period, a person who is under any of the following circumstances shall not act as a Director of the Company; if he has already held office of a Director, he shall cease to act as a Director and be removed from the position of Director automatically:
 - (a) commits a felony (including but not limiting to an offence under Statute for Prevention of Organizational Crimes of the R.O.C.) and has been convicted thereof, and either (i) he has not started serving the sentence, (ii) he has not completed serving the sentence, or (iii) the time elapsed after completion of serving the sentence, expiration of the probation, or pardon is less than five (5) years;
 - (b) has been imposed a final sentence involving imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and either (i) he has not started serving the sentence, (ii) he has not completed serving the sentence, or (iii) the time elapsed after completion of serving the sentence, expiration of the probation, or pardon is less than two (2) years;
 - (c) has been imposed a final sentence due to violation of the Anti-corruption Act, and either (i) he has not started serving the sentence, (ii) he has not completed serving the sentence, or (iii) the time elapsed after completion of serving the sentence, expiration of the probation, or pardon is less than two (2) years;
 - (d) becomes bankrupt or is adjudicated of commencement of liquidation

proceeding by a court under the laws of any jurisdiction and has not been reinstated to his rights and privileges;

- (e) has allowed cheques and other negotiable instruments to be dishonoured and the records thereof have not been cancelled or expunged by the relevant regulatory authorities;
 - (f) dies or an order has been made by any competent court or authority on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and such order has not been revoked, or his legal capacity is restricted according to the applicable laws;
 - (g) ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under any provisions of the Law and/or Applicable Listing Rules;
 - (h) ceases to be a Director by virtue of Article 84;
 - (i) resigns his office by notice in writing to the Company;
 - (j) is removed from office pursuant to these Articles; or
 - (k) has been ordered to be removed from office by the R.O.C. Courts on the grounds that such Director, in the course of performing his duties, committed serious violations of the Law, Applicable Listing Rules or these Articles, or acts resulting in material damage to the Company, upon a petition by the Company or Member(s) to the R.O.C. Courts.
- (2) During the Relevant Period, in case a Director (other than Independent Director) has transferred some or all his Shares during the term of his office as a Director, such that the remaining Shares held by him are less than one half of the Shares being held by him at the time he was elected, he shall, ipso facto, cease to act as a Director and be removed from the position of Director automatically.
- (3) During the Relevant Period, if a Director (other than Independent Director), (a) after having been elected and before his inauguration of the office of a Director, has transferred some or all his Shares held by him such that the remaining Shares are less than one half of the Shares held by such Director at the time of his

election or, (b) within the Book Closure Period fixed by the Board in accordance with Article 28(2) prior to the general meeting for the election of such Director, has transferred some or all his Shares held by him such that the remaining Shares are less than one half of the Shares held at the commencement of the Book Closure Period, his election as a Director shall be deemed invalid and void.

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

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

Subject to the Law, one or more Members holding one percent (1%) or more of the total number of the issued Shares continuously for a period of six months or a longer time may request in writing any Independent Director of the audit committee to file, on behalf of the Company, an action against a Director who has, in the course of performing his/her duties, committed any act resulting in damage to the Company or in violation of the Law, the Applicable Listing Rules or these Articles, with a competent court, including the Taiwan Taipei District Court of the R.O.C. In case the Independent Director fails to file such action within thirty (30) days after receipt of such request, to the extent permitted under the laws of the Cayman Islands, the Members making such request may file the action for the Company.

PROCEEDINGS OF THE BOARD

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

A Director may, and the Secretary on the requisition of a Director shall, summon a Board meeting by, during the Relevant Period, at least seven (7) days' notice in writing, or at any time other than during the Relevant Period, at least forty eight (48) hours' notice in writing, to every Director which notice shall set forth the general nature of the business to be considered PROVIDED HOWEVER, without prejudice to the prescribed notice, in the event of emergency, as determined by the Board in its sole discretion, a Board meeting may be called at any time upon a written notice given in accordance with the Applicable Listing Rules. Notwithstanding the forgoing, at any time other than during the Relevant Period, a notice of Board meeting may be waived by all the Directors at, before or retrospectively after the relevant Board meeting is held. Any notice or waiver thereof may be given by email, telex or telefax.

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

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

is entitled to vote both as a proxy and for his own.

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

Subject to these Articles, the continuing Directors may act notwithstanding any vacancy in their body.

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

The proceedings regarding Board meetings not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by the Board and reported to the Members at a general meeting from time to time, which shall be in

compliance with the Law and the Applicable Listing Rules (in particular, the Regulations Governing Procedure for Board of Directors Meetings of R.O.C. Public Companies).

RESERVES AND CAPITALISATION

During the Relevant Period, the Company shall set aside out of the profits of the Company for each financial year: (a) a reserve for payment of tax for the relevant financial year; and (b) an amount to offset losses incurred in previous year(s); and after the aforesaid sums as set aside from the profits for such relevant financial year, the Board may, before recommending any dividend or bonus, set aside the remaining profits of the Company for the relevant financial year as a reserve or reserves (the "**Special Reserve**") which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied.

Unless otherwise provided in the Law, the Applicable Listing Rules and these Articles, during the Relevant Period, the Capital Reserve set aside shall not be used except for offsetting the losses of the Company, and the Company shall not use the Capital Reserve to offset its capital losses unless any Special Reserve set aside for purposes of loss offset is insufficient to offset such losses.

- (1) During the Relevant Period, subject to the Law, where the Company incurs no loss, it may, by a Special Resolution, distribute its Special Reserve, the Share Premium Account and/or the income from endowments received by the Company, which are in the Capital Reserve which are available for distribution, in whole or in part, by issuing new, fully paid Shares and/or by cash to its Members.
- (2) At any time other than during the Relevant Period, subject to the Law, the Board may capitalise any sum for the time being standing to the credit of the Share Premium Account or any of the other Company's reserve accounts which are available for distribution or any sum standing to the credit of the profit and loss account or otherwise available for distribution and to appropriate such sums to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend//bonus and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid.

Where any difficulty arises in regard to any declaration of share dividends or share bonuses or other similar distributions under these Articles due to any fraction held by Member(s), the Board may determine that cash payments should be made to any Members in full, or part thereof, as may seem expedient to the Board. Such decision of the Board shall be effective and binding upon the Members.

COMPENSATION, DIVIDENDS AND BONUSES

At any time other than during the Relevant Period, subject to the Law and these Articles and except as otherwise provided by the rights attaching to any Shares, the Board may from time to time declare dividends/bonuses (including interim dividends/bonuses), and other distributions to the Members by issuing new, fully paid Shares and/or by cash in proportion to the number of Shares held by them respectively and authorise payment of the same out of the funds of the Company lawfully available therefore. The Directors may, before declaring any dividends, bonuses or distributions, set aside such sums as they think proper as a reserve or reserves which shall at the discretion of the Directors, be applicable for any purpose of the Company and pending such application may, at the like discretion, be employed in the business or investments of the Company.

- (1) As the Company is in the growing stage, the dividend/bonuses of the Company may be distributed in the form of cash dividends/bonuses and/or stock dividends/bonuses. The Company shall take into consideration the Company's capital expenditures, future expansion plans, and financial structure, funds requirement and other plans for sustainable development needs in assessing the amount of dividends/bonuses the Company wishes to distribute.
- (2) During the Relevant Period, subject to the Law, the Applicable Listing Rules and these Articles, where the Company has annual profits at the end of a financial year, upon the approval of a majority of the Directors present at a meeting attended by at least two-thirds or more of the total number of the Directors, the Company may distribute not less than zero point five percent (0.5%) and not more than three percent (3%) of the profits for such year to the Employees as the Employees' compensation in the form of shares and/or in cash and may distribute not more than two percent (2%) hereof to the Directors as the Directors' compensation, provided, however, that the total amount of accumulated losses of the Company (including adjusted undistributed profits) shall be reserved from the said profits in advance, and the Company shall distribute the remaining balance thereof to the Employees and Directors in the proportion set out above.

A report of such distribution of Employee and Directors' compensation shall be submitted to the general meeting of the Company. Except otherwise set forth by the Applicable Listing Rules, any Directors' compensation shall not be paid in the form of shares. The term "annual profits" as used herein shall mean the annual profits for such year before tax without deducting the amount of compensation distributed to the Employees and Directors as prescribed in this Paragraph (2) of this Article.

- (3) During the Relevant Period, subject to the Law, the Applicable Listing Rules and these Articles and except as otherwise provided by the rights attaching to any Shares, where the Company still has annual net profit for the year, after paying all relevant taxes, offsetting losses (including losses of previous years and adjusted undistributed profits, if any), and setting aside the Special Reserve (if any), the Company may distribute not less than ten percent (10%) of the remaining balance (including the amounts reversed from the Special Reserve), plus undistributed profits of previous years (including adjusted undistributed profits) in part or in whole as determined by an Ordinary Resolution passed at an annual general meeting of the Company duly convened and held in accordance with these Articles to the Members as dividends/bonuses in proportion to the number of Shares held by them respectively pursuant to these Articles, provided that, cash dividends/bonuses shall not be less than ten percent (10%) of the total amount of dividends/bonuses to Members.
- (4) During the Relevant Period, unless otherwise resolved by the general meeting of the Company, the Employees and Directors' compensations and dividends, bonuses or other forms of distributions payable to the Members shall be declared in NTD.
- (5) The Board may deduct from the dividends, bonuses or any other amount payable to the Member in respect of the Share any amount (if any) due by such Member to the Company on account of calls or otherwise in relation to the Share.
- (6) Any dividend, bonus or other monies payable on or in respect of the Share may be paid by wire transfer to the bank account nominated by the Member or by cheque or warrant sent through a post to the registered address of the Member, or to such Person and to such address as the holder may nominate in writing. In the case of joint Members, any of them may give a valid receipt for the dividend, bonus or other monies payable on or in respect of the Share.

- (7) Subject to the Law and the Applicable Listing Rules, any Special Reserve may be reversed to undistributed profits of the Company.

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

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

ACCOUNTS, AUDIT, AND ANNUAL RETURN AND DECLARATION

- (1) The Directors shall cause to be kept accounting records and books of account sufficient to give a true and fair view of the state of the Company's affairs and to show and explain the transactions of the Company and otherwise in accordance with the Law, at the Registered Office or at such other place(s) in such manner as may be determined from time to time by the Board and shall always be open to the inspection by the Directors.

- (2) If the Company keeps its accounting records and books of account at any place outside the Cayman Islands in accordance with the preceding paragraph, it shall, upon service of an order or notice pursuant to the Tax Information Authority Law and any amendment or other statutory modification thereof, make available, in electronic form or any other medium at its Registered Office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

During the Relevant Period, at the end of each financial year, the Board shall prepare: (a) the business report; (b) the financial statements which include all the documents and information as required by the Law and the Applicable Listing Rules (the "**Financial Statements**"); and (c) any proposal relating to the distribution of net profit and/or loss offsetting in accordance with these Articles, for adoption by the annual general meeting of the Company. Upon adoption at the annual general meeting of the Company, the

Board shall distribute to each Member copies of the Financial Statements and the resolutions relating to profit distribution and/or loss offsetting. However, during the Relevant Period, the Company may make a public announcement of the above-mentioned statements and resolutions instead of distributing those to each Member.

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

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

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

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

TENDER OFFER

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

- (a) the types, number and amount of the Shares held by the Directors and any Member holding more than ten percent (10%) of the total issued and outstanding Shares;

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

WINDING UP

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

Subject to the Law, if the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Law, divide amongst the Members 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 Members or different Classes. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the

liquidator shall think fit, but so that no Member shall be compelled to accept any asset whereon there is any liability.

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

NOTICES

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

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

Any notice or other document, if served by:

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

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

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

REGISTERED OFFICE OF THE COMPANY

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

FINANCIAL YEAR

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

SEAL

The Company shall adopt a Seal by resolution of the Board and, subject to the Law, the Company may also have a duplicate Seal or Seals for use in any place or places outside of the Cayman Islands. The use and management of the Seal (or duplicate Seals) may be determined by the Board from time to time pursuant to the adoption of any regulation governing the use and management of seals of the Company in accordance with the Applicable Listing Rules.

LITIGATION AND NON-LITIGATION AGENT IN THE R.O.C.

- (1) Subject to the provisions of the Applicable Listing Rules, the Company shall, by a resolution of the Directors, appoint or remove a person as its litigation and non-litigation agent and such agent will be deemed as the responsible person of the Company in the R.O.C. under the Applicable Listing Rules.
- (2) The preceding agent shall have residence or domicile in the R.O.C.
- (3) The Company shall report the name, residence/domicile of the preceding agent

and power of attorney to the competent authority in the R.O.C. This reporting requirement shall also apply if there is any change.

CHANGES TO CONSTITUTION

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

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LIDA HOLDINGS LIMITED

Rules of Procedure for Shareholders Meetings

1. To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies. The rules are in accordance with Article 182-1 of the Company Act; The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
2. Shareholders mentioned in this rule means Shareholders and their proxies.
3. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

The entrusted matters shall be handled in accordance with the provisions of Article 177 of the Company Art.

After a proxy form has been delivered to the company, if the shareholder intends to attend the shareholders' meeting online, a written notice of proxy cancellation shall be submitted to the company in two business days prior to the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

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

The time during which shareholder attendance registrations will be accepted by the company, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards. Shareholders and their proxies shall bring their attendance cards.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.

In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

4. Attendance at shareholders meetings shall be calculated based on numbers of shares.
5. A shareholders' meeting of the company shall, unless otherwise provided for in the Company Act or the Articles of Association, be convened by the Board of Directors. The board of directors or other authorized conveners of shareholders' meetings may require a company or its shareholder service agent to provide with the roster of shareholders.

This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies will be accepted, the place to register for attendance, and other matters for attention.

Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

The meeting agenda handbook and the meeting supplementary materials shall be prepared when the shareholders' meeting is convened and a notification shall be made to the shareholders before 30 days of the meeting date. For the shareholders who hold less than one thousand registered shares, they can be notified through the Market Observation Post System 30 days before. The convening of the extraordinary shareholders' meeting shall be notified to the shareholders 15 days before. For those shareholders who hold less than one thousand registered shares of the shares, they can be notified through the Market Observation Post System 15 days before. Despite of the regulations in this meeting agenda, if, however, this Corporation has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of the electronic files of the foregoing meeting agenda and supplementary meeting materials shall be made to the Market Observation Post System by 30 days before the regular shareholders meeting.

This Corporation shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders' meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting

notice may be given in electronic form.

Matters pertaining to election or discharge of directors and supervisors, alteration of the Articles of Association, reduction of capital or compulsory buy back and cancel the company's share which referring to paragraph 1 of article 24 of Articles of Association, application for the approval of ceasing its status as a public company, dissolution, merger, spin-off, or any matters as set forth in paragraph I, article 185 of Article of Association, article 26-1, paragraph VI, article 43 of Securities and Exchange Act hereof shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.

Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal in written or electronic form for discussion at a regular shareholders' meeting.

Except matters as set forth in Paragraph IV, Article 172-1, the board of directors of the company shall include the proposal submitted by a shareholder in the list of proposals to be discussed at a meeting of shareholders. A shareholder proposal proposed under Paragraph IV, Article 172-1 for urging a company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda. The venue for a shareholders' meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.

A full audio and video recording shall be made through the whole shareholders meeting. The recorded materials shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.

5-1. To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - (2) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
 - (3) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
 - (4) Actions to be taken if the outcomes of all proposals have been announced and extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

6. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairman. When the chairman of the board is on leave or for any reason unable to exercise the powers. If the chairman is absent or unable to exercise his powers for any other reason, his agent is in accordance with the provisions of Article 208 of the Company Art.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from

among themselves.

7. This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.
8. When a meeting is in progress, the chair may announce a break based on time considerations.

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

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

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

9. Anyone who participates in the shareholders' meeting shall not carry items that are harmful to the life, body, freedom or property of others.

At the time of the shareholders' meeting, the chairman of the shareholders' meeting may request the police officers to arrive at the scene to maintain order.

Attendance at shareholders meetings shall be calculated based on numbers of shares.

10. Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. The chairman shall call the meeting to order at the appointed meeting time. However when the attending shareholder do not represent more than a half the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than a half the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.
11. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
12. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

After the meeting, the shareholders may not elect another chairman to continue the meeting at the original site or another place.

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

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

The speaking of the proxy shall be in accordance with his power of attorney, public solicitation of written and advertising, and unless otherwise provided by the Act, the shareholders' consent shall be based on the statement or vote of the agent. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

14. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
15. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
16. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- 16-1. Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

17. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

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

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a more than a half of the voting rights represented by the attending shareholders. At the time of voting, if the chairman has consulted the no-objection, it shall be deemed to have passed, and its validity shall be the same as the voting.

Unless otherwise provided by law or regulation, a shareholder shall be entitled to one vote for each share held. Except for a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

When this Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to 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 or online, 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 as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a more than a half of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on

the numbers of votes for and against and the number of abstentions, shall be entered 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.

When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Paragraph 7 of Article 3 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

18. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair. The results of the voting shall be announced on-site at the meeting and a record made of the vote.

But monitoring personnel shall be shareholders, the people should supervise the voting procedure, prevent improper voting, open the voting vote and supervise the record of the counting personnel.

The vote shall be invalid in one of the following circumstances, and the statistical tallies of the numbers of votes shall not be calculated:

1. Not using the voting vote provided by the company.
2. The votes have not been put into the ballot box.
3. The votes which are unable to distinguish in favor of or against.
4. The proxy violates the rule of “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public companies” to use the right to vote.

19. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. And in accordance with the provisions of Article 183 of the Company Art.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of this Corporation.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

20. On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

21. When a meeting is in progress, if a force majeure event such as air raid alarm, earthquake or others occurs, the chairman shall immediately announce the suspension of the meeting and evacuate all. After the reasons for the suspension of the meeting are eliminated, the chairman shall decide whether to continue the meeting.

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

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

22. In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.
23. When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.
24. In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders

meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporation shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

25. When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.
26. These rules are implemented after the approval of the shareholders' meeting, and the same applies when the amendments are made. This rule is made on February 19th, 2014.
This rule was first revised on June 13th, 2019.
This rule was secondly revised on June 30th, 2020.
This rule was thirdly revised on June 17th, 2022.

Appendix 3 Shareholding Status of All Directors

LIDA HOLDINGS LIMITED

Shareholding Status of All Directors

1. The total number of shares issued by the company is 116,000,000 shares of common stock.
2. The company is not applicable to Article 26 of the Securities Exchange Act.
3. Up to the book closure date of the shareholders' meeting (Based date: April 20, 2025), shareholders list and the shareholding status of the directors are as following:

Position	Name	Date of appointment	Shares	Percentage (%)
Chairman	Yi Yuan Enterprises Limited Representative: Chien-Leng Wu	2023.06.16	36,540,000	31.5%
Director	Gain Fortune Development Limited Representative: Da-Ping Huang	2023.06.16	9,570,557	8.25%
Director	Wai-Fung Kong	2023.06.16	0	0
Director	Chi-Fai Tang	2023.06.16	0	0
Independent Director	Shyne-Ren Shen	2023.06.16	0	0
Independent Director	Tzuo-Cheng Zhang	2023.06.16	0	0
Independent Director	Pai- Wen Cheng	2023.06.16	0	0
Total			46,110,557	39.75%

Other Explanatory information

1. The impact of issuance of bonus shares on the company's operating performance, earnings per share and return on investment:

There is no bonus shares this year, so it is not applicable.

2. Description of the state of the acceptance of proposal of the shareholders meeting:

- 1) Based on Article 172-1 of Company Act, a shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.
- 2) The period for submission of shareholder proposals: April 11th to 21th, 2025. It has been announced through the Market Observation Post System.
- 3) The company did not receive any proposal from any shareholder during the period for submission of shareholder proposals.