

Stock Code: 8426

# Redwood Group Ltd

## 2025 Annual General Meeting

### Meeting Agenda



Time : 9:00 a.m., May 29, 2025

Venue : Third-floor meeting room at the New Taipei  
Industrial Park Service Center  
(No. 95, Wugong Road, Xinzhuang District,  
New Taipei City)

Covering method : Physical shareholder's meeting

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# **Redwood Group Ltd**

## **Procedure of 2025 Annual General Meeting**

- I. Call the Meeting to Order
- II. Chairman's Remarks
- III. Report Items
- IV. Proposed Resolutions
- V. Discussion Items
- VI. Elections
- VII. Special Motions
- VIII. Adjournment



# **Redwood Group Ltd**

## **Meeting Agenda of 2025 Annual General Meeting**

- I. Time: 9:00 a.m., Monday, May 29, 2025
- II. Venue: Third-floor meeting room at the New Taipei Industrial Park Service Center (No. 95, Wugong Road, Xinzhuang District, New Taipei City)
- III. Shareholders meeting will be held by means of physical shareholders meeting.
- IV. Call the meeting to order.
- V. Chairman's remarks
- VI. Report items
  - (I) 2024 annual business report.
  - (II) Audit Committee's approval and audit report for 2024.
- VII. Proposed resolutions
  - (I) To adopt the 2024 annual financial statements.
  - (II) To adopt the 2024 earnings distribution.
- VIII. Discussion items  
Amendments to certain articles within the Company's "Articles of Incorporation".
- IX. Elections  
Elections of the Company's sixth-term Directors (including Independent Directors)
- X. Special motions
- XI. Adjournment

# Report Items

Item 1                    Proposed by the Board of Directors  
Subject:                To approve the 2024 business report.  
Explanation:         Please refer to Attachment I (P.8) of the Meeting Agenda.

Item 2                    Proposed by the Board of Directors  
Subject:                To approve the Audit Committee’s approval and audit report for 2024.  
Explanation:         Please refer to Attachment II (P.12) of the Meeting Agenda.



## Proposed Resolutions

Item 1 Proposed by the Board of Directors  
Subject: To adopt the 2024 annual financial statements.  
Explanation: The Company's 2024 annual financial statements were audited by the Certified Public Accountants (CPAs) of Deloitte Taiwan, Li-huang Lee and Tsung-yuan Tsai. Relevant reports were reviewed by the Audit Committee and approved by a resolution by the Board of Directors. Please refer to Attachment IV (P.13) of the Meeting Agenda.

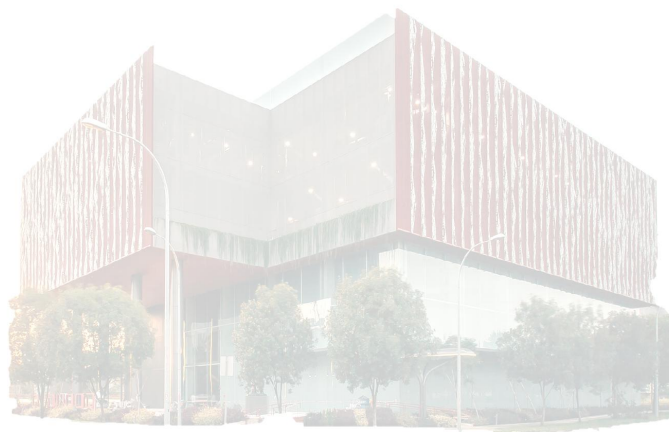
Resolution:

Item 2 Proposed by the Board of Directors  
Subject: To adopt the 2024 earnings distribution.  
Explanation: 1. The Company's consolidated net income after tax in 2024 was NT\$252,695,811, add reversal of special reserve (including adjustment to accommodate exchange differences in the financial statements of foreign operations) NT\$104,530,742, and deduct special reserve of NT\$12,634,788, the available distribution surplus was NT\$481,676,561. Please refer to Attachment IV (P.23) for the earnings distribution table.  
2. The cash dividend ex-dividend base date, payment date and other related matters will be approved by the shareholders' meeting, then authorize the Chairman of the board to formulate it.  
3. For the current cash dividend distribution, the dividend will be calculated to the amount of one whole NTD. and any decimal point below one NTD will be rounded down. Less than one NTD will be transferred to other income of the company. Subsequently, if changes occur to the Company's share capital, affecting the number of shares outstanding, leading to adjustments to the rate of shareholders' dividend distribution, the Company proposes to delegate the Chairman with all competent authority to handle related matters. In addition, the Company also proposes to delegate the Chairman to establish related matters, including setting an ex-dividend date.

Resolution:

## Discussion Items

- Item 1 Proposed by the Board of Directors
- Subject: To approve the amendments of certain articles within the Company's "Articles of Incorporation."
- Explanation: In line with changes in laws and regulations, it is proposed to amend the Company's "Articles of Incorporation." Please refer to Attachment V (P.24) of the Meeting Agenda for a comparison table of amendments.
- Resolution:



## **Elections**

- Item 1 Proposed by the Board of Directors
- Subject: To Elect the Company's sixth-term Directors  
(including Independent Directors)
- Explanation:
1. The tenure of the Company's fifth-term Directors and Independent Directors is to expire on June 26, 2025. However, to accommodate the convention of 2025 Annual General Meeting, it is proposed to expire the term of outgoing Directors after the election which is to be held during the meeting on May 29, 2025.
  2. According to the securities acts and regulations of the Republic of China as well as Articles 23 and 25 of the Company's Articles of Incorporation, the Company shall have at least five (5) Directors, among which, at least three (3) shall be Independent Directors. Both Directors and Independent Directors are to serve a term of three years. They are elected from shareholders with legal capacity and are eligible for re-election.
  3. The Audit Committee is established in accordance with the securities acts and regulations of the Republic of China and Article 38 of the Company's Articles of Incorporation. This new term of the Audit Committee comprises all newly-elected Independent Directors. Its exercise of power shall comply with the securities acts and regulations of the Republic of China and the Company's Articles of Incorporation.
  4. The tenure of the Company's fifth-term Directors and Independent Directors will expire immediately after the tenure of new Directors and Independent Directors elected in the Annual General Meeting on May 29, 2025 commences.
  5. Matters pertaining to the election of the sixth-term Directors and Independent Directors:
    - (1) Proposed number of seats: A total of five (5) Directors, including three (3) Independent Directors.
    - (2) Tenure: Three years. It commences immediately after the election in the Annual General Meeting on May 29, 2025 and expires on May 28, 2028. Directors and Independent Directors are eligible for re-election.

6. In compliance with the securities acts and regulations of the Republic of China and Article 25.2 of the Company's Articles of Incorporation, the election of directors (including independent directors) adopts the candidate nomination system. Shareholders shall elect from the list of Directors (include independent directors) candidates announced before the Annual General Meeting. Please refer to Attachment VI (P.27) of the Meeting Agenda for candidates' education, work experience, and other relevant information.

Resolution:



## [Attachment I] 2024 Business Report

### Letter to Shareholders

In a world where instability has become the norm, our market remains dynamic and robust. Redwood has once more significantly strengthened its position as one of the key players. The Group has continued to demonstrate the quality of its business model and its teams, which I would like to thank from the bottom of my heart.

Redwood's fundamentals are our strength and our difference; our passion with innovation and quality; a dual commitment to business and society; founding a value that benefits all. In the past few years, Redwood has been working to reduce its impact on the environment and make a positive contribution to society. Building on its belief that financial performance goes hand in hand with environmental, societal and social performance.

Redwood has committed to the Group's corporate responsibility goals in sustainable transformation.

- ISO14001- continue efforts in reducing the environmental impacts
- FSC- Certificate of Custody for wood related material from sustainable sources
- In the pipeline to further strengthening the social and governance best practices.

In 2024, Redwood achieved an overall revenue of NTD2,868 million. Despite the global phenomenon of rising operating costs, we were able to maintain our gross margin at an optimal level at 31.35% through cost control measures. We are particularly pleased that the US market has performed strongly with over 30% increase of sales compared to 2023.

For the overall luxury market, it is expecting a slower growth in 2025 mainly due to macroeconomic uncertainty and continued price elevation by brand. The weight of the overall global personal luxury market has reached over 380 billion euros in 2024. Analysis by McKinsey has reported that the overall growth between 2025-2027 will be from 1-3%. However, it is expected that the market will propel vary among regions; the US market is expected to outpace the rest of the world with a predicted growth between 4% and 6%.

From the company perspective, we recognize the economic landscape before us is challenging, but it is not invincible. Redwood is in a strong position to navigate the headwinds and realize the opportunities presented to us. Our focus remains to deliver our services in ways that best suit our clients. At the same time, we will continue the efforts in strategizing our price, manage our costs and sharpen our operation processes. Our growth-oriented strategy and the investments we've made over the past years have tremendously enhanced our competitiveness. However, people remain the engine driving our results. I am grateful to our exceptional employees who turn our potential into performance.

Finally, I would also like to thank our management team and all members of Redwood for their collaboration and hard work building on our strong foundation. And to our shareholders, thank you for the trust you have shown in your Company's leadership and financial future. We will continue to build upon the success of your Company.

I. Implementation results of 2024 business plan

(I) Implementation results of business plan

Unit: NT\$1,000

Item	FY2024	
	Amount	%
Operating revenue	2,867,765	100.00%
Operating costs	1,962,563	68.44%
Gross profit	905,202	31.56%
Net operating income	358,359	12.50%
Net income before tax	344,070	12.00%

(II) Budget execution status: This is not applicable as the Company does not have to disclose its financial forecasts to the public.

(III) Cash flows and profitability analysis

Unit: NT\$1,000

Item		FY2024	
Cash flows	Operating revenue	2,867,765	
	Gross profit	905,202	
	Net income before tax	344,070	
Profitability	Return on assets (%)	11.36%	
	Return on shareholders' equity (%)	21.36%	
	Percentage of paid-in capital (%)	Net operating income	71.33%
		Net income before tax	68.48%
	Net profit margin (%)	8.81%	
	Earnings per share (NT\$)	5.03	

(IV) Research and development:

Redwood has been actively looking into the company's production capabilities. In the last couple of year, the company has developed and mastered the process in producing curved glass which can suit complicated showcase and store design. In addition, the company is continuing its efforts in introducing new substitute materials for weight and handling advantage.

II. Summary of 2025 business plan

(I) Business directions

1. To offer quality crafted products and satisfying services at luxury display locations worldwide.
2. To improve project management capabilities and provide customers with more comprehensive "one-stop" service.
3. To deeply develop existing customers and maintain good interaction; continue to develop new customers and step into other high-end decoration businesses.
4. To increase the training of technical talents and develop new skills in combination with new technologies.

(II) Expected market conditions and reasons of forecasts

There are some highlights for the industry research from Statista in the luxury goods market:

In 2025, the luxury goods market is expected to generate revenue of \$495.1 billion.

The market is expected to grow at an annual of 3.94%. (CAGR 2025-2029). The largest share of this market will be luxury jewelry and watches.

(III) Significant production and sales policies

The Group accelerates in setting up overseas operation bases to serve existing customers and explore new brand customers. We will quickly respond to customer needs and create value in response to industrial development and market conditions, and achieve common prosperity and mutual benefit with customers based on high-quality service and loyalty to customers. .

III. Future development strategies of the Company

- (I) To research and develop automated manufacturing processes, improve production efficiency, increase productivity, train technical talents, etc.
- (II) To continuously improve the project management capabilities and production technologies of projects and provide customers with satisfying products and services.
- (III) To explore new customers with high growth potential on the basis of interior fittings for

luxury brands.

(IV) The Group actively seeks merger and acquisition targets which can complement the Group in operation, business, and customer aspects.

(V) Focus on sustainable development of enterprise.

#### IV. Impacts from external competition, regulatory compliance, and macro-environment

The industry continues to be challenged by geopolitical and economic headwinds. In addition, climate change brings increasingly extreme weather events and global temperatures rise, the coming years likely to mark a heightened industry focus on environmental, social, and governance (ESG) issues.

Such industry focus will have impacts to the company overall operations and costs. However, this can also be an advantage to Redwood as smaller companies may have difficulties to comply. Hence, the company will need to continue finding a balance among sustainability initiatives, risk management, and commercial imperatives.



Chairman:  
Thong-ming Soh

General Manager:  
Sing-Keong Lee

Accounting Officer:  
Ai-ai Siew

## **[Attachment II] Audit Committee's Approval and Audit Report for 2024**

### **Redwood Group Ltd Audit Committee's Approval and Audit Report**

The Board of Directors has prepared the Company's 2024 Business Report, Consolidated Financial Statements and Earnings Distribution Table. Among these documentations, the financial statements have been audited by the auditors, Deloitte, and the audit reports relating to the Financial Statements have been granted.

The Business Report, Financial Statements and Earnings Distribution Table have been examined and determined to be barely presented by the Audit Committee members of Redwood Group Ltd. According to the Securities and Exchange Act and the Company law, we hereby submit the audit report to the Company's shareholders.



Sincerely,  
Redwood Group Ltd

Convener of the Audit Committee

Min-chiu Chien

March 11, 2025

## **[Attachment III] 2024 Annual Financial Statements**

### **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders

Redwood Group Ltd

#### **Opinion**

We have audited the accompanying consolidated financial statements of Redwood Group Ltd and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

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

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 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, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2024 are stated as follows:

## **Recognition of Project Revenue**

The main business of Redwood Group Ltd and its subsidiaries is the decoration of global advanced boutique brand stores. Its project revenue is calculated based on the degree of completion during the project contract period based on the completion percentage method, in which the estimated total project cost is an important factor in calculating the percentage of completion of construction. Since the estimated total project cost and contract items are obtained by management's evaluation and judgment based on the nature of different projects, estimated contract amounts, construction duration, project construction and construction methods, etc., they are complicated with inherent risks, and are susceptible to price fluctuations of raw materials and labor, as well as variation of the projects. Due to a certain degree of subjectivity in estimates, there may be errors in the calculation of revenue from the percentage of completion of some projects or a significant impact on the misrepresentation of revenue in each period. Therefore, the estimation of the total cost of the project contract is a major estimate and judgment of the company, and it is listed as a key audit matter. For relevant accounting policies, accounting estimates and assumptions regarding the recognition of project revenue, as well as relevant disclosure information, please refer to Notes 4, section 10 and Note 5 of the consolidated financial statements for details.

We have performed the audit procedures on the key audit matters mentioned above as follows:

1. We understood and tested the Group's relevant internal control procedures for preparing estimated total project cost.
2. We selected samples and reviewed the Group's documents for each project to confirm the reasonableness of the estimated total project cost.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a

guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

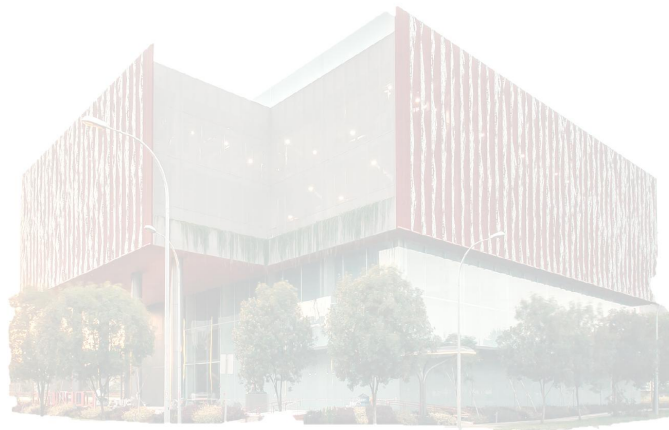
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable,

related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Lee Li Huang and Tsai Tsung Yuan.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China



March 11, 2025

Notice to Readers

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

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

**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2024 AND 2023**  
(In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Note 6 and 26)	\$ 474,370	20	\$ 335,989	15
Contract assets - current (Note 20)	405,876	17	293,641	13
Trade receivables (Notes 8 and 26)	266,175	12	438,910	19
Other receivables (Notes 8 and 26)	5,345	-	12,863	1
Other receivables from related parties (Notes 8, 26 and 27)	83	-	70	-
Current tax assets (Note 22)	1,987	-	-	-
Inventories (Note 9)	115,718	5	128,035	5
Prepayments (Notes 13)	68,902	3	50,065	2
Other current assets (Note 13)	5,563	-	6,706	-
Total current assets	<u>1,344,019</u>	<u>57</u>	<u>1,266,279</u>	<u>55</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Notes 7 and 25)	43,720	2	45,241	2
Property, plant and equipment (Notes 11 and 28)	907,454	38	912,660	39
Right-of-use assets (Notes 12 and 28)	40,583	2	41,754	2
Deferred tax assets (Note 22)	16,721	1	26,496	1
Other non-current assets (Notes 13 and 26)	9,311	-	16,699	1
Total non-current assets	<u>1,017,789</u>	<u>43</u>	<u>1,042,850</u>	<u>45</u>
<b>TOTAL</b>	<u>\$ 2,361,808</u>	<u>100</u>	<u>\$ 2,309,129</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 14, 24, 26 and 28)	\$ -	-	\$ 34,935	1
Contract liabilities-current (Note 20)	136,824	6	191,763	8
Trade payables (Notes 15 and 26)	147,589	6	155,618	7
Trade payables to related parties (Notes 15, 26 and 27)	2,529	-	1,257	-
Other payables (Notes 16 and 26)	184,941	8	176,228	8
Current tax liabilities (Note 22)	15,177	1	34,291	1
Provisions - current (Note 17)	51,788	2	42,752	2
Lease liabilities - current (Note 12, 24 and 26)	418	-	994	-
Current portion of long-term borrowings (Note 14, 25, 26 and 28)	52,541	2	88,750	4
Other current liabilities (Note 16)	12,377	-	15,729	1
Total current liabilities	<u>604,184</u>	<u>25</u>	<u>742,317</u>	<u>32</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Note 14, 24, 26 and 28)	440,523	19	474,433	20
Deferred tax liabilities (Note 22)	26,367	1	16,451	1
Lease liabilities - non-current (Note 12, 25 and 26)	87	-	448	-
Total non-current liabilities	<u>466,977</u>	<u>20</u>	<u>491,332</u>	<u>21</u>
Total liabilities	<u>1,071,161</u>	<u>45</u>	<u>1,233,649</u>	<u>53</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)</b>				
Share capital - ordinary shares	<u>502,425</u>	<u>21</u>	<u>502,425</u>	<u>22</u>
Capital surplus	<u>293,911</u>	<u>13</u>	<u>293,911</u>	<u>13</u>
Retained earnings				
Special reserve	347,096	15	252,393	11
Unappropriated earnings	<u>389,782</u>	<u>16</u>	<u>357,396</u>	<u>15</u>
Total retained earnings	<u>736,878</u>	<u>31</u>	<u>609,789</u>	<u>26</u>
Other equity				
Exchange differences on translation of foreign financial statements	( 165,727)	( 7)	( 256,977)	( 11)
Unrealized loss on financial assets of fair value through other comprehensive income	( 76,840)	( 3)	( 73,668)	( 3)
Total other equity	<u>( 242,567)</u>	<u>( 10)</u>	<u>( 330,645)</u>	<u>( 14)</u>
Total equity attributable to owners of the Company	<u>1,290,647</u>	<u>55</u>	<u>1,075,480</u>	<u>47</u>
<b>TOTAL</b>	<u>\$ 2,361,808</u>	<u>100</u>	<u>\$ 2,309,129</u>	<u>100</u>

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

## REDWOOD GROUP LTD AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Note 20)				
Construction revenue	\$ 2,867,765	100	\$ 2,860,254	100
OPERATING COSTS (Note 9, 21 and 27)				
Construction costs	( 1,962,563)	( 69)	( 1,941,069)	( 68)
GROSS PROFIT	<u>905,202</u>	<u>31</u>	<u>919,185</u>	<u>32</u>
OPERATING EXPENSES (Notes 21)				
Selling and marketing expenses	( 13,227)	-	( 20,164)	( 1)
General and administrative expenses	( 531,941)	( 19)	( 471,310)	( 16)
Expected credit loss	( 1,675)	-	( 1,921)	-
Total operating expenses	( 546,843)	( 19)	( 493,395)	( 17)
NET PROFIT FROM OPERATIONS	<u>358,359</u>	<u>12</u>	<u>425,790</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 26)				
Interest income	1,232	-	425	-
Other income	14,982	1	10,440	-
Other gains and losses	( 13,300)	-	( 5,800)	-
Finance costs	( 17,203)	( 1)	( 19,723)	( 1)
Total non-operating income and expenses	( 14,289)	-	( 14,658)	( 1)
PROFIT BEFORE INCOME TAX	344,070	12	411,132	14
INCOME TAX EXPENSE (Note 22)	( 91,375)	( 3)	( 82,102)	( 3)
NET PROFIT FOR THE YEAR	<u>252,695</u>	<u>9</u>	<u>329,030</u>	<u>11</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized loss on investments in debt instruments as at fair value through other comprehensive income	( 3,172)	-	( 3,447)	-
Exchange differences arising on translation to the presentation currency	52,463	2	6,276	-

(Continued)

## REDWOOD GROUP LTD AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statement of foreign operations	\$ 38,787	1	(\$ 36,147)	(1)
Other comprehensive income (loss) for the year, net of income tax	88,078	3	(33,318)	(1)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>\$ 340,773</u>	<u>12</u>	<u>\$ 295,712</u>	<u>10</u>
<b>NET PROFIT ATTRIBUTABLE TO:</b>				
Owners of the Company	<u>\$ 252,695</u>	<u>9</u>	<u>\$ 329,030</u>	<u>11</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
Owners of the Company	<u>\$ 340,773</u>	<u>12</u>	<u>\$ 295,712</u>	<u>10</u>
<b>EARNINGS PER SHARE (Note 23)</b>				
Basic	<u>\$ 5.03</u>		<u>\$ 6.55</u>	
Diluted	<u>\$ 5.03</u>		<u>\$ 6.55</u>	

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

## REDWOOD GROUP LTD AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company				Other Equity		Total Equity
	Share Capital	Capital Surplus	Retained Earnings		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Exchange Differences on Translating the Financial Statements of Foreign Operations	
			Special Reserve	Unappropriated Earnings			
BALANCE AT JANUARY 1, 2023	\$ 502,425	\$ 293,911	\$ 252,393	\$ 28,366	(\$ 70,221)	(\$ 227,106)	\$ 779,768
Net profit for the year ended December 31, 2023	-	-	-	329,030	-	-	329,030
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	( 3,447)	( 29,871)	( 33,318)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	329,030	( 3,447)	( 29,871)	295,712
BALANCE AT DECEMBER 31, 2023	502,425	293,911	252,393	357,396	( 73,668)	( 256,977)	1,075,480
Appropriation of 2023 earnings							
Special reserve	-	-	94,703	( 94,703)	-	-	-
Cash dividends distributed by the Company	-	-	-	( 125,606)	-	-	( 125,606)
Net profit for the year ended December 31, 2024	-	-	-	252,695	-	-	252,695
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	( 3,172)	91,250	88,078
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	252,695	( 3,172)	91,250	340,773
BALANCE AT DECEMBER 31, 2024	\$ 502,425	\$ 293,911	\$ 347,096	\$ 389,782	(\$ 76,840)	(\$ 165,727)	\$ 1,290,647

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

## REDWOOD GROUP LTD AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 344,070	\$ 411,132
Adjustments for:		
Depreciation expenses	91,798	94,011
Expected credit loss recognized on trade receivables	1,675	1,921
Finance costs	17,203	19,723
Interest income	( 1,232)	( 425)
Write-downs of inventories	4,018	-
Reversal of write-downs of inventories	-	( 3,608)
Loss on disposal of subsidiary	2,998	-
Net gain on foreign currency exchange	45,030	( 30,659)
Net (gain)/loss on disposal of property, plant and equipment	133	( 1,941)
Recognition of provisions	40,568	43,194
Changes in operating assets and liabilities		
Contracts assets	( 112,235)	24,897
Trade receivables	170,600	( 162,876)
Other receivables	7,505	( 10,633)
Inventories	4,778	( 28,890)
Prepayments	( 18,837)	7,372
Other current assets	1,143	( 5,743)
Contracts liabilities	( 54,939)	( 255,825)
Trade payables	( 6,757)	( 6,592)
Other payables	18,199	62,044
Provisions	( 33,278)	( 22,431)
Other current liabilities	( 3,352)	( 473)
Cash generated from operations	519,088	134,198
Interest paid	( 18,771)	( 19,588)
Income taxes paid	( 85,321)	( 35,356)
Net cash generated from operating activities	<u>414,996</u>	<u>79,254</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	-	( 15,642)
Payments for property, plant and equipment	( 41,181)	( 52,204)
Proceeds from disposal of property, plant and equipment	6,474	2,716
Increase in refundable deposits	( 752)	( 1,809)
Net cash inflow on disposal of subsidiary	( 2,998)	-
Increase in prepayments for equipment	-	( 7,388)
Interest received	<u>1,232</u>	<u>425</u>
Net cash used in investing activities	<u>( 37,225)</u>	<u>( 73,902)</u>

(Continued)

## REDWOOD GROUP LTD AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of short-term borrowings	(\$ 35,210)	\$ -
Proceeds from long-term borrowings	5,397	-
Repayments of long-term borrowings	( 97,120)	( 66,228)
Dividends paid to owners of the Company	( 125,606)	-
Repayment of the principal portion of lease liabilities	( <u>1,036</u> )	( <u>1,251</u> )
Net cash used in financing activities	( <u>253,575</u> )	( <u>67,479</u> )
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	<u>14,185</u>	<u>7,007</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	138,381	( 55,120)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>335,989</u>	<u>391,109</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 474,370</u>	<u>\$ 335,989</u>

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

## [Attachment IV] 2024 Earnings Distribution Table

### Redwood Group Ltd Annual Statement of Deficit Compensation FY2024

Unit: NT\$

Item	Amount	
	Subtotal	Total
Unappropriated earnings, beginning of period		\$137,084,796
Add: Net income after tax for the year	252,695,811	
Add: Reversal of special reserve (including adjustment to accommodate exchange differences in the financial statements of foreign operations)	104,530,742	
Less: 5% Special reserve	(12,634,788)	344,591,765
Earnings available for distribution for this period		481,676,561
Allocation:		
Cash dividends (NT\$2.5 per share)		(125,606,250)
Unappropriated earnings, end of period		\$356,070,311

Note: Remuneration to Directors was NT\$2,422,682 and bonus to employee was NT\$539,000 distributed during the period in the form of cash.

Chairman:  
Thong-ming Soh

General Manager:  
Sheng-chiang Li

Accounting Officer:  
Ai-ai Hsiao

## [Attachment V] Comparison Table of Amendments to the Articles of Incorporation

Proposed Amendment	Original Article	Reason for Amendment
2.12 <u>The Company shall not convert its Shares into Shares without par value.</u>	(Newly Added)	In order to align with the amendments to the Checklist of Amendment of the Shareholders Rights Protection with respect to Foreign Issuer's Place of Incorporation announced by the Taipei Exchange on May 13, 2024, the content of Article 2.12 of the Articles of Association has been added.
16.5 For so long as the Shares are listed on the TPEX, the Company shall announce to the public the notice of a general meeting, the proxy instrument, agendas and materials relating to the matters to be reported and discussed in the meetings, including but not limited to, election or discharge of Directors, in accordance with Article 16.1 hereof, and shall transmit the same via the Market Observation Post System in accordance with Applicable Public Company Rules. If the voting power of a Member at a general meeting shall be exercised by way of a written ballot, the Company shall also send the written document for the Member to exercise his voting power together with the above mentioned materials in accordance with Article 16.1. The Board shall prepare a meeting handbook of the relevant general	16.5 For so long as the Shares are listed on the TPEX, the Company shall announce to the public the notice of a general meeting, the proxy instrument, agendas and materials relating to the matters to be reported and discussed in the meetings, including but not limited to, election or discharge of Directors, in accordance with Article 16.1 hereof, and shall transmit the same via the Market Observation Post System in accordance with Applicable Public Company Rules. If the voting power of a Member at a general meeting shall be exercised by way of a written ballot, the Company shall also send the written document for the Member to exercise his voting power together with the above mentioned materials in accordance with Article 16.1. The Board shall prepare a meeting handbook of the relevant general meeting and	In order to align with the amendments to the Checklist of Amendment of the Shareholders Rights Protection with respect to Foreign Issuer's Place of Incorporation announced by the Taipei Exchange on May 13, 2024, the content of Article 16.5 of the Articles of Association has been revised.

Proposed Amendment	Original Article	Reason for Amendment
<p>meeting and supplemental materials, which will be sent to or made available to all Members and shall be transmitted to the Market Observation Post System in accordance with the Applicable Public Company Rules. If the Company's total paid-in capital exceeds NT\$2 billion at the most recent financial year end date, or if the shareholding of foreign and PRC investors reaches more than 30% of the total number of issued shares as recorded in the Register of Members as of the date of the general meeting held in the most recent financial year, the foregoing transmission of information and materials via or to the Market Observation Post System shall be completed at least thirty (30) days prior to an annual general meeting.</p>	<p>supplemental materials, which will be sent to or made available to all Members and shall be transmitted to the Market Observation Post System in accordance with the Applicable Public Company Rules. If the Company's total paid-in capital exceeds NT\$10 billion at the most recent financial year end date, or if the shareholding of foreign and PRC investors reaches more than 30% of the total number of issued shares as recorded in the Register of Members as of the date of the general meeting held in the most recent financial year, the foregoing transmission of information and materials via or to the Market Observation Post System shall be completed at least thirty (30) days prior to an annual general meeting.</p>	
<p>45 To the extent permitted under the laws of the Cayman Islands, Members continuously holding one per cent (1%) or more of the total issued shares of the Company for six months or longer may <u>send a written request to the Audit Committee to pass a resolution to authorise any Independent Director or Independent Directors, acting singly or collectively, to file a petition with the Taiwan Taipei District Court for and on behalf of the Company against any of the Directors. If within thirty (30) days after receiving the</u></p>	<p>45 To the extent permitted under the laws of the Cayman Islands, Members continuously holding one per cent (1%) or more of the total issued shares of the Company for six months or longer may:</p> <p>(a) <del>request in writing the Board to authorise any Independent Director of the Audit Committee to file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors;</del> or</p> <p>(b) <del>request in writing any Independent</del></p>	<p>In order to align with the amendments to the Checklist of Amendment of the Shareholders Rights Protection with respect to Foreign Issuer's Place of Incorporation announced by the Taipei Exchange on May 13, 2024, the content of Article 45 of the Articles of Association has been revised.</p>

Proposed Amendment	Original Article	Reason for Amendment
<p><u>above written request by the Member(s), the Audit Committee fails to pass the aforementioned resolution, or after the relevant resolution was passed by the Audit Committee, the relevant Independent Director(s) fail(s) to file such petition, such Member(s) may, to the extent permitted under the laws of the Cayman Islands, file a petition with the Taiwan Taipei District Court for and on behalf of the Company against the relevant Directors.</u></p>	<p><del>Director of the Audit Committee to file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors;</del></p> <p>the Member(s) may, to the extent permitted under the laws of the Cayman Islands, file a petition with the Taipei District Court, ROC for and on behalf of the Company against the relevant Directors within thirty (30) days after such Member(s) having made the request under the preceding clause (a) or (b) if (i) in the case of clause (a), the Board fails to make such authorisation or the Independent Director of the Audit Committee having been authorised by the Board fails to file such petition, or (ii) in the case of clause (b), the Independent Director of the Audit Committee fails to file such petition.</p>	

**[Attachment VI] List of Directors (include Independent Directors) Candidates**

Book closure date : March 31, 2025

Director Candidates	Education / Work Experience	Present Position	Shareholding as of the Book Closure Date
Thong-ming Soh	<ul style="list-style-type: none"> <li>● Founder of Redwood Group Ltd.</li> <li>● Founder of Redwood Interior Pte Ltd.</li> <li>● Founder of Redwood Furniture Sdn Bhd.</li> </ul>	<ul style="list-style-type: none"> <li>● Chairman of Redwood Group Ltd.</li> <li>● Director of DDG Glass Pte Ltd.</li> <li>● Director of DDG Glass Mfg Sdn Bhd.</li> </ul>	16,558,571
Jun-wei Soh	<ul style="list-style-type: none"> <li>● Bachelor of Mechanical Engineering, Nanyang Technological University, Singapore</li> </ul>	<ul style="list-style-type: none"> <li>● Operation executive / Special assistant to the Chairman of Redwood Interior</li> <li>● Director of Redwood Projects Philippines Inc.</li> </ul>	0
Min-chiu Chien	<ul style="list-style-type: none"> <li>● Master of Accounting, Soochow University</li> <li>● CPA of Jing Hua Co.,CPAs.</li> <li>● Auditor of Deloitte &amp; Touche</li> <li>● Supervisor of Hokuang Optics Co.,Ltd.</li> <li>● Supervisor of Uni Lite Corporation</li> <li>● Interim Administrator of Pacific Liu Tong Investment Co.,Ltd</li> <li>● Independent Director of Tat Hong Equipment Service Co.,Ltd</li> <li>● Independent Director of Lian Fa International Dining Business Corporation</li> </ul>	<ul style="list-style-type: none"> <li>● CPA of Action &amp; Co.,CPAs</li> <li>● Independent Director of Redwood Group Ltd.</li> <li>● Independent Director of Hey song corporation</li> <li>● Independent Director of Wowprime Corp.</li> <li>● Independent Director of Shin Kong Financial Holding Co.,Ltd</li> <li>● Supervisor of Chinatrust Investment Co.,Ltd</li> </ul>	0

<b>Director Candidates</b>	<b>Education / Work Experience</b>	<b>Present Position</b>	<b>Shareholding as of the Book Closure Date</b>
Yu-Chun Hsiao	<ul style="list-style-type: none"> <li>● Bachelor of Finance, National Taiwan University</li> <li>● Senior Vice President of First Securities Inc.</li> <li>● Deputy General Manager of KGI Securities Inc.</li> </ul>	<ul style="list-style-type: none"> <li>● Independent Director of Redwood Group Ltd.</li> <li>● Independent Director of Far Bio-Tec.Co.,Ltd</li> <li>● Independent Director of Bafang Yunji International Co.,Ltd</li> <li>● Independent Director of Kingcan Holding Limited</li> </ul>	0
Chi-nung Huang	<ul style="list-style-type: none"> <li>● Bachelor of Law, National Taiwan University</li> <li>● Master of Laws, University of Virginia</li> <li>● Attorneys-at-law in Financial Capital Markets Department of Lee and Li</li> <li>● Interdependent Director of AME Holding Limited</li> </ul>	<ul style="list-style-type: none"> <li>● Chief Attorneys-at-law of Worldfair Partners</li> <li>● Legal Aid of Foundation Supports Lawyer</li> <li>● Director of China Color Printing Co.,Ltd</li> </ul>	0

**[Appendix I] Articles of Incorporation**

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

**ELEVENTH AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION**

**OF**

**REDWOOD GROUP LTD**

**紅木集團有限公司**

(adopted by a Special Resolution passed on [-],2025)

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

**ELEVENTH AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION**

**OF**

**REDWOOD GROUP LTD**

紅木集團有限公司

(adopted by a Special Resolution passed on [-], 2025)

1. The name of the Company is **REDWOOD GROUP LTD** 紅木集團有限公司.
2. The Registered Office of the Company shall be at the offices of Intertrust Corporate Services (Cayman) Limited, One Nexus Way, Camana Bay Grand Cayman, KY1-9005 Cayman Islands, Cayman Islands, or at such other place within the Cayman Islands as the Board may from time to time decide.
3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Act (Revised) or as the same may be revised from time to time, or any other laws of the Cayman Islands.
4. The liability of each Member is limited to the amount unpaid on such Member's shares.
5. The share capital of the Company is New Taiwan Dollars 800,000,000 divided into 80,000,000 shares of a par value of New Taiwan Dollars 10.00 each.
6. The Company has power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.
7. Capitalised terms that are not defined in this Memorandum of Association bear the respective meanings given to them in the Articles of Association of the Company.

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

**ELEVENTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION**  
**OF**  
**REDWOOD GROUP LTD**

紅木集團有限公司

(adopted by a Special Resolution passed on [-], 2025)

**a) Interpretation**

1.1 In the Articles Table A in the First Schedule to the Statute does not apply and, unless there is something in the subject or context inconsistent therewith:

**"Applicable Company Rules"**      **Public** means the ROC laws, rules and regulations (including, without limitation, the Company Law, the Securities and Exchange Law, the rules and regulations promulgated by the FSC, and the rules and regulations promulgated by the TPEX, as amended from time to time) affecting public companies or companies listed on any ROC stock exchange or securities market that from time to time are required by the relevant regulator as applicable to the Company.

**"Articles"** means these articles of association of the Company.

**"Audit Committee"** means a committee of the Board, which shall comprise solely of Independent Directors.

**"Board"** means the board of directors appointed or elected pursuant to the Articles and acting at a meeting of directors at which there is a quorum in accordance with the Articles.

**"Capital Reserve"**      **Redemption** means the reserve established by the Company for the purpose of section 37(4) of the Statute which shall comprise of, inter alia, (i) where Shares are redeemed or purchased wholly out of the Company's profits, the amounts by which the Company's issued share capital is diminished in accordance with section 37(3)(g) of the Statute on cancellation of the Shares redeemed or purchased; (ii) where Shares are redeemed or purchased wholly or partly out of the proceeds of a fresh issue and the aggregate amount of those proceeds is less than the aggregate nominal value of the Shares redeemed or purchased, the amount of such difference, unless section 37(4)(c) of the Statute applies; (iii)

where Shares are redeemed or purchased out of capital and the capital payment for Shares redeemed or purchased and cancelled is less than their nominal amount, the amount of such difference, subject to section 37(5)(f) of the Statute; subject to any reduction in accordance with section 37(5)(e) of the Statute and other provisions of the Statute.

<b>"Capital Reserve"</b>	means the premium paid on the issuance of any Share and income from endowments received by the Company.
<b>"Chairman"</b>	means the Director elected amongst all the Directors as the chairman of the Board.
<b>"Company"</b>	means the above named company.
<b>"Directors"</b>	means the directors for the time being of the Company and shall include any and all Independent Director(s).
<b>"Dissenting Member"</b>	has the meaning given thereto in Article 21.2;
<b>"Dividend"</b>	means any dividend resolved to be paid on Shares pursuant to the Articles.
<b>"Electronic Record"</b>	has the same meaning as in the Electronic Transactions Act.
<b>"Electronic Transactions Act"</b>	means the Electronic Transactions Act (Revised) of the Cayman Islands.
<b>"FSC"</b>	means the Financial Supervisory Commission of the ROC.
<b>"Gross Negligence"</b>	in relation to a person means a standard of conduct beyond negligence whereby a person acts with reckless disregard for the consequences of his action or inaction.
<b>"TPEX"</b>	means the Taipei Exchange.
<b>"Independent Directors"</b>	means the Directors who are elected as "Independent Directors" for the purpose of the Applicable Public Company Rules.
<b>"Market Observation Post System"</b>	means the public company reporting system maintained by the Taiwan Stock Exchange Corporation.
<b>"Member"</b>	a person registered in the Register of Members as a holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so

requires.

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

**"Merger"** means a transaction whereby:

(a) (i) all of the companies participating in such transaction are combined into a new company, which new company generally assumes all rights and obligations of the combined companies; or (ii) all of the companies participating in such transaction are merged into one of such companies as the surviving company, and the surviving company generally assumes all rights and obligations of the merged companies, and in each case the consideration for the transaction being the shares of the surviving or consolidated company or any other company, cash or other assets; or

(b) other forms of mergers and acquisitions which fall within the definition of "merger and/or consolidation" under the Applicable Public Company Rules.

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

PRC means People's Republic of China

**"Preferred Shares"** has the meaning given thereto in Article 3.

**"Private Placement"** has the meaning given thereto in Article 12.6;

**"Register of Members"** means the register of members maintained in accordance with the Statute and (if the Company is listed on the TPEX) the Applicable Public Company Rules.

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

**"Restricted Shares"** has the meaning given thereto in Article 2.5;

**"ROC"** means Taiwan, the Republic of China.

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

**"Share"** means a share in the Company.

**"Share Exchange"**

a 100% share exchange as defined in the ROC Business Mergers and Acquisitions Act whereby a company (the "Acquiring Company") acquiring all the issued and outstanding shares of another company with the consideration being the shares of the Acquiring Company, cash or other assets;

**"Special Resolution"**

subject to the Statute, means a resolution passed by a majority of at least two-thirds of the votes cast by such Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a Special Resolution has been duly given.

**"Spin-off"**

a spin-off as defined in the ROC Business Mergers and Acquisitions Act whereby a company transfers a part or all of its business that may be operated independently to an existing company or newly incorporated company (the "Acquirer") with the consideration being the shares of the Acquirer, cash or other assets;

**"Statute"**

means the Companies Act (Revised) of the Cayman Islands and every modification, re-enactment or revision thereof for the time being in force.

**"Subsidiary"**

means, with respect to any company, (i) the entity, more than one half of whose total number of the outstanding voting shares or the total amount of the capital stock are directly or indirectly held by such company; (ii) the entity that such company has a direct or indirect control over its personnel, financial or business operation; (iii) the entity, one half or more of whose executive shareholders or board directors are concurrently acting as the executive shareholders or board directors of such company; and (iv) the entity, one half or more of whose total number of outstanding voting shares or the total amount of the capital stock are held by the same shareholder(s) of such company.

**"Supermajority Resolution"**

means a resolution passed by a majority vote of the Members at a general meeting attended by Members who represent two-thirds or more of the total outstanding Shares or, if the total number of Shares represented by the Members present at the general meeting is less than two-thirds of the total outstanding Shares, but more than one half of the total outstanding Shares, means instead, a resolution passed by two-thirds or more of votes cast by the Members present at

such general meeting.

"TDCC" means the Taiwan Depository & Clearing Corporation.

"Treasury Shares" has the meaning given thereto in Article 36.1.

## 1.2 In the Articles:

- (a) words importing the singular number include the plural number and vice versa;
- (b) words importing the masculine gender include the feminine gender;
- (c) words importing persons include corporations as well as any other legal or natural person;
- (d) "written" and "in writing" include all modes of representing or reproducing words in visible form, including in the form of an Electronic Record;
- (e) "shall" shall be construed as imperative and "may" shall be construed as permissive;
- (f) references to provisions of any law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced;
- (g) any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- (h) the term "and/or" is used herein to mean both "and" as well as "or." The use of "and/or" in certain contexts in no respects qualifies or modifies the use of the terms "and" or "or" in others. The term "or" shall not be interpreted to be exclusive and the term "and" shall not be interpreted to require the conjunctive (in each case, unless the context otherwise requires);
- (i) headings are inserted for reference only and shall be ignored in construing the Articles;
- (j) Section 8 of the Electronic Transactions Law shall not apply; and
- (k) the term "holder" in relation to a Share means a person whose name is entered in the Register of Members as the holder of such Share.

## 2 Issue of Shares

- 2.1 Subject to Article 3.1 and other provisions, if any, in the Memorandum and these Articles and without prejudice to any rights attached to any existing Shares, the Board may allot, issue, grant options over or otherwise dispose of Shares with or without preferred, deferred or other rights or restrictions, whether in regard to Dividend or other distribution, voting, return of capital or otherwise and to such persons, at such times and on such other terms as they think proper, and may also (subject to the Statute and the Articles) vary such rights; provided that no Share shall be issued at a discount except in accordance with the Statute.

- 2.2 The issue of new Shares shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors and shall at all times be subject to the sufficiency of the authorised share capital of the Company.
- 2.3 Where the Company increases its issued share capital by issuing new Shares for cash consideration in the ROC, the Company shall allocate 10% of the total amount of the new Shares to be issued, for public offering in the ROC, unless it is deemed as either unnecessary or inappropriate, as determined by the FSC or the TPEX (as applicable) for the Company to conduct the aforementioned public offering or otherwise provided by applicable laws. Any percentage higher than the aforementioned 10% as resolved by a general meeting for public offering in the ROC shall prevail. The Company may also reserve up to 15% of the total amount of such newly issued Shares for subscription by the employees of the Company and its Subsidiaries.
- 2.4 Unless otherwise resolved by the Members at a general meeting by Ordinary Resolution, where the Company increases its issued share capital by issuing new Shares for cash consideration, the Company shall make a public announcement and notify each Member that he is entitled to exercise a pre-emptive right to purchase his pro rata portion of the remaining new Shares (after allocation of the public offering portion and the employee subscription portion in Article 2.3) issued in the capital increase for cash consideration. The Company shall state in such announcement and notices to the Members the procedures for exercising such pre-emptive rights. In the event that the number of Shares held by a Member is insufficient for such Member to exercise the pre-emptive right to subscribe one newly-issued Share, Shares held by several Members may be calculated together for joint subscription of newly-issued Shares or for subscription of newly-issued Shares in the name of a single Member in such manner as is consistent with the Applicable Public Company Rules. If the total number of the new Shares to be issued has not been fully subscribed by the Members within the prescribed period, the Company may consolidate such Shares into the public offering tranche or offer any un-subscribed new Shares to a specific person or persons in such manner as is consistent with the Applicable Public Company Rules.

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

- 2.5 Subject to the provisions of the Statute, the Company may issue new Shares with restricted rights (“**Restricted Shares**”) to employees of the Company and its Subsidiaries with the sanction of a Supermajority Resolution; provided that Article 2.3 hereof shall not apply in

respect of the issue of such Shares. For so long as the Shares are listed on the TPEX, the terms of issue of Restricted Shares, including but not limited to the number of Restricted Shares so issued, issue price of Restricted Shares and other related matters shall be in accordance with the Applicable Public Company Rules.

- 2.6 The pre-emptive right of employees under Article 2.3 and the pre-emptive right of Members under Article shall not apply in the event that new Shares are issued due to the following reasons or for the following purposes:
- (a) in connection with a Merger, Share Exchange, Spin-off, or pursuant to any reorganization of the Company;
  - (b) in connection with meeting the Company's obligations under share subscription warrants and/or options, including those rendered in Articles 2.8 and 2.10 hereof;
  - (c) in connection with the issue of Restricted Shares in accordance with Article 2.5 hererof;
  - (d) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire Shares;
  - (e) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire Shares;
  - (f) in connection with the issue of shares in accordance with Article 34.1or Article 35; or
  - (g) in connection with Private Placement.
- 2.7 The Company shall not issue any unpaid Shares or partly paid-up Shares.
- 2.8 Notwithstanding Article 2.5 hereof, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, adopt one or more incentive programmes and may issue Shares or options, warrants or other similar instruments, to employees of the Company and its Subsidiaries.
- 2.9 Options, warrants or other similar instruments issued in accordance with Article 2.8 above are not transferable save by inheritance.
- 2.10 The Company may enter into agreements with employees of the Company and the employees of its Subsidiaries in relation to the incentive programme approved pursuant to Article 2.8 above, whereby employees may subscribe for, within a specific period, a specific number of the Shares. The terms and conditions of such agreements shall be no less restrictive on relevant employee than the terms specified in the applicable incentive programme.
- 2.11 Shares may not be issued in bearer form.
- 2.12 The Company shall not convert its Shares into Shares without par value.

### **3 Preferred Shares**

- 3.1 Notwithstanding any provisions of these Articles, the Company may by Special Resolution create Shares of any class with preferred or other special rights ("**Preferred Shares**"), the rights and obligations of which shall be set forth in these Articles.

- 3.2 The rights and obligations of Preferred Shares may include (but not limited to) the following terms and shall be consistent with the Applicable Public Company Rules:
- (a) the order of priority and fixed amount or fixed ratio of allocation of dividends and bonus on Preferred Shares;
  - (b) the order of priority and fixed amount or fixed ratio of allocation of surplus assets of the Company;
  - (c) the order of priority for or restriction on the voting right(s) (including declaring no voting rights whatsoever) of the Members holding the Preferred Shares;
  - (d) the method by which the Company is authorized or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply; and
  - (e) other matters concerning rights and obligations incidental to Preferred Shares.

#### **4 Register of Members**

- (a) For so long as Shares are traded on the TPEX, the Board shall cause to be kept a Register of Members which may be kept outside the Cayman Islands at such place as the Board shall appoint and which shall be maintained in accordance with the Statute and the Applicable Public Company Rules.
- (b) In the event that the Company has Shares that are not traded on the TPEX, the Company shall also cause to be kept a register of such Shares in accordance with Section 40 of the Statute.
- (c) Title to Shares traded on the TPEX may be evidenced and transferred in a manner consistent with the Applicable Public Company Rules.

#### **5 Closing Register of Members or Fixing Record Date**

- 5.1 For the purpose of determining Members entitled to notice of, or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any Dividend or other distribution, or in order to make a determination of Members for any other purpose, the Board may provide that the Register of Members shall be closed for transfers for a stated period consistent with the Applicable Public Company Rules.
- 5.2 In lieu of, or apart from, closing the Register of Members, the Board may fix in advance or arrears a date as the record date for any such determination of Members entitled to notice of, or to vote at any meeting of the Members or any adjournment thereof, or for the purpose of determining the Members entitled to receive payment of any Dividend or other distribution, or in order to make a determination of Members for any other purpose.
- 5.3 If the Register of Members is not so closed and no record date is fixed for the determination of Members entitled to notice of, or to vote at, a meeting of Members or Members entitled to receive payment of a Dividend or other distribution, the date on which notice of the meeting is sent or the date on which the resolution of the Board resolving to pay such Dividend or other distribution is passed, as the case may be, shall be the record date for such

determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Article, such determination shall apply to any adjournment thereof.

## **6 Certificates for Shares**

- 6.1 The Company shall issue Shares without printing share certificates for the Shares issued unless the issuance of share certificates is required by the provisions of the Applicable Public Company Rules. So long as the Shares are listed on the TPEX, notwithstanding anything contained in the Articles and subject always to the law of the Cayman Islands, the details regarding such issue of shares shall be recorded by the TDCC in a manner consistent with the Applicable Public Company Rules, and the Company shall recognize as a Member each person identified as a holder of a Share in the records provided by the TDCC to the Company and such records shall form part of the Register of Members. In the event that the Company shall issue certificates for Shares in accordance with the Applicable Public Company Rules, share certificates representing Shares, if any, shall be in such form as the Board may determine. Share certificates shall be signed by one or more Directors or other person authorised by the Board. The Board may authorise certificates to be issued with the authorised signature(s) affixed by mechanical process. All certificates for Shares shall be consecutively numbered or otherwise identified and shall specify the Shares to which they relate. All certificates surrendered to the Company for transfer shall be cancelled and subject to the Articles no new certificate shall be issued until the former certificate representing a like number of relevant Shares shall have been surrendered and cancelled.
- 6.2 In the event that the Company shall issue certificated shares, the Company shall not be bound to issue more than one certificate for Shares held jointly by more than one person and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.
- 6.3 If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and on the payment of such expenses reasonably incurred by the Company in investigating evidence, as the Board may prescribe, and (in the case of defacement or wearing out) upon delivery of the old certificate.
- 6.4 Every share certificate sent in accordance with the Articles will be sent at the risk of the Member or other person entitled to the certificate. The Company will not be responsible for any share certificate lost or delayed in the course of delivery.
- 6.5 In the event that the Company shall issue certificated shares, the Company shall deliver the share certificates to the subscribers within thirty days from the date such Shares may be issued pursuant to the Applicable Public Company Rules, and shall make a public announcement prior to the delivery of such share certificates pursuant to the Applicable Public Company Rules.

## **7 Transfer of Shares**

- 7.1 Subject to Article 2.1, Shares are transferable.
- 7.2 The instrument of transfer of any Share shall be in writing and shall be executed by or on behalf of the transferor (and if the Board so requires, signed by or on behalf of the transferee). The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the Register of Members.
- 7.3 Notwithstanding the foregoing, in the event that the Shares are listed on the TPEX, the transfer of such Shares may be effected through the book-entry system of the TDCC in a manner consistent with the Applicable Public Company Rules.

## **8 Redemption and Repurchase of Shares**

- 8.1 Subject to the provisions of the Statute, the Company may issue Shares that are to be redeemed or are liable to be redeemed at the option of the Member or the Company. The redemption of such Shares shall be effected in such manner as the Company may, by Special Resolution, determine.
- 8.2 Subject to the provisions of the Statute and these Articles, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, purchase its own Shares (including any redeemable Shares and the Shares listed on the TPEX) on such terms and in such manner as the Directors may determine, provided that such purchase shall be conducted in accordance with the applicable ROC securities laws and regulations and the Applicable Public Company Rules.
- 8.3 In the event that the Company proposes to purchase Shares listed on the TPEX pursuant to Article 8.2, the resolution of the Board approving such proposal and the implementation thereof should be reported to the Members in the next general meeting in accordance with the Applicable Public Company Rules. Such reporting obligation shall also apply even if the Company does not implement the proposal to purchase the Shares listed on the TPEX for any reason.
- 8.4 The Company may make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Statute, including out of capital.

## **9 Variation of Rights of Shares**

- 9.1 If at any time the share capital of the Company is divided into different classes of Shares, all or any of the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied with the sanction of a Special Resolution passed at a general meeting of the holders of the Shares of that class. Notwithstanding the foregoing, if any modification or alteration in the Articles is prejudicial to the preferential rights of any class of Shares, such modification or alteration shall be passed by a Special Resolution of the Company and shall also be passed by a Special Resolution passed at a separate meeting of Members of that class of Shares. To any such meeting all the provisions of the Articles relating to general meetings shall apply *mutatis mutandis*.

- 9.2 The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking pari passu therewith.

## **10 Registered Holder As Absolute Owner**

The Company shall not be bound by or compelled to recognise in any way (even when notified) any equitable, contingent, future or partial interest in any Share, or (except only as is otherwise provided by the Articles or the Statute) any other rights in respect of any Share other than an absolute right to the entirety thereof in the holder.

## **11 Transmission of Shares**

- 11.1 If a Member dies, the survivor or survivors (where he was a joint holder) or his legal personal representatives (where he was a sole holder) shall be the only persons recognised by the Company as having any title to his Shares. The estate of a deceased Member is not thereby released from any liability in respect of any Share, for which he was a joint or sole holder.
- 11.2 Any person becoming entitled to a Share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any way other than by transfer) may, upon such evidence being produced as may from time to time be required by the Board, elect, by a notice in writing sent by him to the Company, either to become the holder of such Share or to have some person nominated by him registered as the holder of such Share. If he elects to have another person registered as the holder of such Share, he shall sign an instrument of transfer of that Share to that person.
- 11.3 A person becoming entitled to a Share by reason of the death or bankruptcy or liquidation or dissolution of a Member (or in any case other than by transfer) shall be entitled to the same Dividend, other distributions and other advantages to which he would be entitled if he were the registered holder of such Share. However, he shall not, before becoming a Member in respect of a Share, be entitled in respect of it to exercise any right conferred by membership in relation to general meetings of the Company and the Board may at any time give notice requiring any such person to elect either to be registered himself or to have some person nominated by him be registered as the holder of the Share. If the notice is not complied with within ninety days of being received or deemed to be received (as determined pursuant to the Articles), the Board may thereafter withhold payment of all Dividend, other distributions, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.
- 11.4 Notwithstanding the above, for as long as the Shares are listed on the TPEX, the transmission of the Shares may be effected through the book-entry system of the TDCC and in a manner consistent with the Applicable Public Company Rules.

## **12 Amendments of Memorandum and Articles of Association and Alteration of Capital**

- 12.1 The Company may by Ordinary Resolution:
- (a) increase its share capital by such sum as the Ordinary Resolution shall prescribe and with such rights, priorities and privileges annexed thereto, as the Company in general meeting may determine;
  - (b) consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;
  - (c) convert all or any of its paid-up Shares into stock, and reconvert that stock into paid-up Shares of any denomination; and
  - (d) cancel any Shares that at the date of the passing of the Ordinary Resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.
- 12.2 All new Shares created in accordance with the provisions of the preceding Article shall be subject to the same provisions of the Articles with reference to the transfer, transmission and otherwise as the Shares in the original share capital.
- 12.3 Subject to the provisions of the Statute and the provisions of the Articles as regards the matters to be dealt with by Ordinary Resolution, the Company may by Special Resolution:
- (a) change its name;
  - (b) alter or add to the Articles;
  - (c) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein; and
  - (d) reduce its share capital and any Capital Redemption Reserve.
- 12.4 Subject to the Statute and Article 12.5, the Company may from time to time by Supermajority Resolution:
- (a) effect any capitalization of distributable dividends and/or bonuses and/or any other amount prescribed under Article 35 hereof;
  - (b) effect any Merger (except for any Merger which falls within the definition of "merger and/or consolidation" under the Statute, which requires the approval of the Company by Special Resolution only), Share Exchange, or Spin-off of the Company;
  - (c) enter into, amend, or terminate any contract for lease of the Company's business in whole, or for delegation of management of the Company's business to others, or for frequent joint operation with others;
  - (d) transfer its business or assets, in whole or in any essential part; or
  - (e) acquire or assume the whole business or assets of another person, which has a material effect on the Company's operation.
- 12.5 Subject to the Statute, the Company may be wound up voluntarily:
- (a) if the Company resolves by Ordinary Resolution that it be wound up voluntarily because the Company is unable to pay its debts as they fall due; or

(b) if the Company resolves by Special Resolution that it be wound up voluntarily for reasons other than set out in Article 12.5(a) above.

12.6 Subject to the Statute and in addition to approval by the Board in accordance with Article 2.2, the Company may, by Special Resolution, issue securities to the following persons by way of private placement within the territory of the ROC in accordance with Applicable Public Company Rules ("**Private Placement**"):

(a) banks, bills finance enterprises, trust enterprises, insurance enterprises, securities enterprises, or other legal entities or institutions approved by the FSC;

(b) natural person, legal entities or funds meeting the qualifications set forth by the FSC; and

(c) directors, supervisors (if any) or managers of the Company or its Subsidiaries.

12.7 The Company may by Special Resolution reduce its share capital and any Capital Redemption Reserve in any manner authorised by the Statute and the Applicable Public Company Rules. Any such reduction of share capital shall be effected based on the percentage of shareholding of the Members pro rata, unless otherwise provided for in the Statute or the Applicable Public Company Rules.

12.8 Subject to the Statute, the Company may by Supermajority Resolution, distribute its Capital Reserve, in whole or in part, by issuing new Shares which shall be distributed as bonus shares to its original Members in proportion to the number of Shares being held by each of them or by cash.

### **13 Offices and Places of Business**

Subject to the provisions of the Statute, the Company may by resolution of the Board change the location of its Registered Office. The Company may, in addition to its Registered Office, maintain such other offices or places of business as the Board may determine.

### **14 Annual General Meetings**

14.1 The Company shall in each year hold a general meeting as its annual general meeting and such meeting shall be held within six months following the end of each financial year.

14.2 The Board shall call general meetings.

14.3 Unless otherwise provided by the Statute, the Company's physical general meetings (including annual general meetings and extraordinary general meetings) shall be held in the ROC. If the Board resolves to hold a physical general meeting outside the ROC, the Company shall seek approval from the TPEX within two days after the Board adopts such resolution. Where a general meeting is to be held outside the ROC, the Company shall engage a professional stock affairs agent in the ROC to handle the administration matters of such general meeting (including but not limited to the handling of the voting of proxies submitted by any Members).

- 14.4 The general meeting may be held by means of video conference or any other means announced by the competent authority of the Company Act of the ROC. For so long as the shares are listed on the TPEX, the conditions, operation procedures and other matters of the general meeting held by means of video conference shall be in compliance with the Applicable Public Company Rules.
- 14.5 Members may participate in any general meeting by means of video conference or other communication facilities, as permitted by the applicable law, where all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a general meeting shall constitute presence in person at such general meeting.

## **15 Extraordinary General Meetings**

- 15.1 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 15.2 The Board may convene an extraordinary general meeting of the Company whenever in their judgment such a meeting is necessary or desirable, and they shall on a Members requisition as defined in Article 15.3 forthwith proceed to convene an extraordinary general meeting of the Company.
- 15.3 A Member's requisition set forth in Article 15.2 is a requisition of one or more Members of the Company holding in the aggregate at the date of deposit of the requisition not less than three per cent of the total number of the outstanding Shares which as at that date have been held by such Members for at least one year.
- 15.4 The Member's requisition must state in writing the matters to be discussed at the extraordinary general meeting and the reason therefor and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form each signed by one or more requisitionists.
- 15.5 If the Board does not within fifteen days from the date of the deposit of the Member's requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting, provided that if the extraordinary general meeting will be held outside the ROC, an application shall be submitted by such requisitionists to the TPEX for its prior approval.
- 15.6 For so long as the Shares are listed on the TPEX , any one or more Member(s) may summon an extraordinary general meeting, provided that such Member or Members shall hold more than fifty per cent of the total issued shares of the Company for a continuous period of no less than three months. The number of the Shares held by a Member and the period of which a Member holds such Shares, shall be calculated and determined based on the Register of Members as of the first day of the period that the Register of Members shall be closed for transfers.

## **16 Notice of General Meetings**

- 16.1 At least thirty (30) days' notice of an annual general meeting and at least fifteen (15) days' notice of an extraordinary general meeting shall be given to each Member entitled to attend and vote thereat. The notice shall specify the place, the date and time at which the meeting is to be held and the general nature of business to be conducted at such meeting.
- 16.2 The Board shall fix a record date for determining the Members entitled to receive notice of and to vote at any general meeting of the Company in accordance with Applicable Public Company Rules and close its Register of Members accordingly in accordance with Applicable Public Company Rules.
- 16.3 A general meeting of the Company shall, notwithstanding that it is called on shorter notice than that specified in the Articles, be deemed to have been properly called if it is so agreed by all the Members entitled to attend an annual general meeting or an extraordinary general meeting (as the case may be).
- 16.4 Subject to Article 17.4, the accidental omission to give notice of a general meeting to, or the non receipt of notice of a general meeting by, any person entitled to receive such notice shall not invalidate the proceedings of that general meeting.
- 16.5 For so long as the Shares are listed on the TPEX, the Company shall announce to the public the notice of a general meeting, the proxy instrument, agendas and materials relating to the matters to be reported and discussed in the meetings, including but not limited to, election or discharge of Directors, in accordance with Article 16.1 hereof, and shall transmit the same via the Market Observation Post System in accordance with Applicable Public Company Rules. If the voting power of a Member at a general meeting shall be exercised by way of a written ballot, the Company shall also send the written document for the Member to exercise his voting power together with the above mentioned materials in accordance with Article 16.1. The Board shall prepare a meeting handbook of the relevant general meeting and supplemental materials, which will be sent to or made available to all Members and shall be transmitted to the Market Observation Post System in accordance with the Applicable Public Company Rules. If the Company's total paid-in capital exceeds NT\$2 billion at the most recent financial year end date, or if the shareholding of foreign and PRC investors reaches more than 30% of the total number of issued shares as recorded in the Register of Members as of the date of the general meeting held in the most recent financial year, the foregoing transmission of information and materials via or to the Market Observation Post System shall be completed at least thirty (30) days prior to an annual general meeting.
- 16.6 The following matters shall be stated in the notice of a general meeting, with a summary of the major content to be discussed, and shall not be proposed as an extemporary motion:
- (a) election or discharge of Directors;
  - (b) alteration of the Articles;
  - (c) capital deduction,
  - (d) application to terminate the public offering of the shares,
  - (e) (i)dissolution, Merger, Share Exchange or Spin-off, (ii) entering into, amending, or terminating any contract for lease of the Company's business in whole, or the

delegation of management of the Company's business to others or the regular joint operation of the Company with others, (iii) transfer of the Company's business or assets, in whole or in any essential part or (iv) acquisition or assumption of the whole business or assets of another person, which has a material effect on the Company's operation;

- (f) approval of an action by Director(s) who engage(s) in business for himself/herself or on behalf of another person that is within the scope of the Company's business;
- (g) distribution of the whole or part of the surplus profit of the Company in the form of new Shares;
- (h) distribution of Capital Reserve in the form of new Shares or cash; and
- (i) Private Placement of any equity-type securities issued by the Company.

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

- 16.7 The Board shall keep the Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the Company's Registered Office (if applicable) and the Company's stock affairs agent located in the ROC. Members may request, from time to time, by submitting document(s) evidencing his/her interests involved and indicating the designated scope of the inspection, access to inspect, review or make copies of the foregoing documents. If the relevant documents are kept by the Company's stock affairs agent, upon the request of any Member, the Company shall order the Company's stock affairs agent to provide such Member with the requested documents.
- 16.8 The Company shall make available all statements and records prepared by the Board and the report prepared by the Audit Committee, which will be submitted to the Members at the annual general meeting, at its Registered Office (if applicable) and its stock affairs agent located in the ROC ten days prior to such annual general meeting in a manner consistent with the Applicable Public Company Rules. Members may inspect and review the foregoing documents from time to time and may be accompanied by their lawyers or certified public accountants for the purpose of such inspection and review.
- 16.9 If the general meeting is convened by the Board or other person entitled to convene a general meeting in accordance with these Articles or any applicable law, the Board and such person may request the Company or the Company's stock affairs agent to provide the Register of Members. Upon the request, the Company shall (and shall order the Company's stock affairs agent to) provide the Register of Members.
- 16.10 The Board may postpone any general meeting called in accordance with the Articles and a notice of postponement shall be given to each Member before the time scheduled for such meeting. A notice of the adjourned meeting shall be given as in the case of an original meeting.
- 16.11 The Directors shall be entitled to receive notice of, attend and be heard at, the general meeting.

## **17 Proceedings at General Meetings**

- 17.1 No resolutions shall be adopted at any general meeting unless a quorum is present. Unless otherwise provided for in the Articles, Members present in person or by proxy, representing more than one-half of the total outstanding Shares, shall constitute a quorum for any general meeting.
- 17.2 The Board shall submit business reports, financial statements and proposals for distribution of profits or allocation of losses prepared by it for the purposes of annual general meetings of the Company for ratification by the Members in a manner consistent with the Applicable Public Company Rules. After ratification by the Members at the general meeting, the Board shall distribute copies of the ratified financial statements and the Company's resolutions on distribution of profits or allocation of losses, to each Member, provided that the Board may make a public announcement of the foregoing documents instead.
- 17.3 Unless otherwise provided in the Articles, a resolution put to the vote of the meeting shall be decided on poll. No resolution put to the vote shall be decided by a show of hands.
- 17.4 Nothing in the Articles shall prevent any Member from initiating proceedings in a court of competent jurisdiction for an appropriate remedy in connection with the improper convening of any general meeting or the improper passage of any resolution within 30 days after passing of such resolution. The Taiwan Taipei District Court, ROC, may be the court for adjudicating any disputes arising out of the foregoing.
- 17.5 Unless otherwise expressly required by the Statute, the Memorandum or the Articles, any matter which has been presented for resolutions, approval, confirmation or adoption by the Members at any general meeting may be passed by Ordinary Resolution.
- 17.6 Member(s) holding 1% or more of the total outstanding Shares immediately prior to the relevant book close period, during which the Company closed its Register of Members, may propose to the Company in writing or any electronic means designated by the Company a matter for discussion at an annual general meeting. Proposals shall be included in the agenda of the annual general meeting by the Board unless (a) the proposing Member(s) holds less than 1% of the total number of outstanding Shares, (b) the matter of such proposal may not be resolved by a general meeting or the proposal exceeds 300 Chinese words; (c) the proposing Member(s) has proposed more than one proposal; or (d) the proposal is submitted to the Company outside the period fixed and announced by the Company for accepting Member(s)' proposal(s). If the purpose of the proposal is to urge the Company to promote public interests or fulfil its social responsibilities, the Board may accept such proposal to be discussed in general meeting.
- 17.7 Unless otherwise agreed by a majority of those attending and entitled to vote thereat, the Chairman shall act as chairman at all general meetings at which such person is present. In his absence a chairman shall be appointed or elected by the Members present at the meeting and entitled to vote.
- 17.8 Unless otherwise provided in the Articles, if a quorum is not present at the time appointed for the general meeting, the chairman may postpone the general meeting to a later time, provided, however, that the maximum number of times a general meeting may be postponed shall be two and the total time postponed shall not exceed one hour. If the general meeting has been

postponed two times, but at the postponed general meeting a quorum is still not present, the chairman shall declare the general meeting as dissolved, and if it is still necessary to convene a general meeting, it shall be reconvened as a new general meeting in accordance with the Articles.

## **18 Votes of Members**

- 18.1 Subject to any rights or restrictions attached to any Shares, every Member who (being an individual) is present in person or by proxy or, if a corporation or other non-natural person is present by its duly authorised representative or by proxy, shall have one vote for every Share of which he is the holder. If a Member holds Shares for others, such Member may exercise his voting power separately. The qualifications, scope, methods of exercise, operating procedures and other matters for compliance with respect to exercising voting power separately shall comply with the Applicable Public Company Rules.
- 18.2 No person shall be entitled to vote at any general meeting or at any separate meeting of the holders of a class of Shares unless he is registered as a Member on the record date for such meeting nor unless all calls or other monies then payable by him in respect of Shares have been paid.
- 18.3 Votes may be cast either in person or by proxy. A Member may appoint another person as his proxy by specifying the scope of appointment in the proxy instrument prepared by the Company to attend and vote at a general meeting, provided that a Member may appoint only one proxy under one instrument to attend and vote at such meeting.
- 18.4 Subject to the Statute, the Company shall provide the Members with a method for exercising their voting power by way of electronic transmission; provided, however, that if a general meeting is to be held outside the ROC or pursuant to the Applicable Public Company Rules, the Company shall provide the Members with a method for exercising their voting power by way of a written ballot or electronic transmission. The method for exercising such voting power shall be described in the general meeting notice to be given to the Members if the voting power may be exercised by way of a written ballot or electronic transmission. Any Member who intends to exercise his voting power by way of a written ballot or by way of electronic transmission shall serve the Company with his voting decision at least two days prior to the date of such general meeting. Where more than one voting decision are received from the same Member by the Company, the first voting decision shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous voting decision in the later-received voting decision. A Member who exercises his voting power at a general meeting by way of a written ballot or by electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to vote his shares at the general meeting only in the manner directed by his written instrument or electronic document. The chairman as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electronic document and/or any amendment to resolution(s) proposed at the said general meeting. For the purpose of clarification, such Members voting in such manner shall be deemed to have waived their voting rights with respect to any extemporary matters or amendment to resolution(s) proposed at the general meeting.

18.5 In the event any Member who intended to exercise his voting power by way of a written ballot or electronic transmission and has served his voting decision on the Company pursuant to Article 18.4 hereof later intends to attend the general meetings in person, he shall, at least two days prior to the date of such general meeting, serve the Company with a separate notice revoking his previous voting decision. Such separate notice shall be sent to the Company in the same manner (e.g., by courier, registered mail or electronic transmission, as applicable) as the previous voting decision under Article 18.4 was given to the Company. Votes by way of a written ballot or electronic transmission shall remain valid if the relevant Member fails to revoke his voting decision before the prescribed time.

## **19 Proxies**

19.1 The instrument of proxy shall be in the form approved by the Board from time to time and be expressed to be for a particular meeting only. An instrument of proxy shall be in writing and executed under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, under the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Member of the Company.

19.2 Subject to the Applicable Public Company Rules, except for trust enterprises organised under the laws of the ROC or a stock affairs agent approved pursuant to Applicable Public Company Rules, save with respect to the chairman being deemed appointed as proxy under Article 18.4, in the event a person acts as the proxy for two or more Members, the sum of Shares entitled to be voted as represented by such proxy shall be no more than 3% of the total outstanding voting Shares immediately prior to the relevant book closed period, during which the Company closes its Register of Members; any vote in respect of the portion in excess of such 3% threshold shall not be counted.

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

19.4 The instrument of proxy shall be deposited at the Registered Office or the office of the Company's stock affairs agent in the ROC or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company no less than five days before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, save with respect to the chairman being deemed appointed as proxy under Article 18.4. Where more than one instrument to vote are received from the same Member by the Company, the first instrument received shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous proxy in the later-received instrument.

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

## 20 Corporate Members

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

## 21 Dissenting Member's Appraisal Right

- 21.1 Subject to compliance with the Law, in the event any of the following resolutions are adopted at a general meeting, any Member who has abstained from voting in respect of or voted against such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the meeting, may request the Company to purchase all of his Shares at the then prevailing fair price:

- (a) the Company enters into, amends, or terminates any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to others or the regular joint operation of the Company with others;
- (b) the Company transfers its business or assets, in whole or in any essential part; provided that the foregoing does not apply where such transfer is pursuant to the dissolution of the Company;
- (c) the Company acquires or assumes the whole business or assets of another person, which has a material effect on the Company's operations;
- (d) the Company proposes to undertake a Spin-off, Merger or Share Exchange; or
- (e) the Company generally assumes all the assets and liabilities of another person or generally assigns all its assets and liabilities to another person.

Shares which have been abstained from voting in accordance with this Article 21.1 shall not be counted in determining the number of votes of the Members being cast at a general meeting but shall be counted towards the quorum of the general meeting.

- 21.2 Without prejudice to the Law, any Member exercising his rights in accordance with Article 21.1 (the "**Dissenting Member**") shall, within twenty (20) days from the date of the resolution passed at the general meeting, give his written notice of objection with the repurchase price proposed by him. If the Company and the Dissenting Member agree on a price at which the Company will purchase the Dissenting Member's shares, the Company shall make the payment within ninety (90) days from the date of the resolution passed at the general meeting. If, within ninety (90) days from the date of the resolution passed at the

general meeting, the Company and the Dissenting Member fail to agree on a price at which the Company will purchase the Dissenting Member's shares, the Company shall pay the fair price it deems fit to the Dissenting Member within ninety (90) days from the date of the resolution passed at the general meeting. If the Company fails to pay the fair price it deems fit to the Dissenting Member within the ninety-day period, the Company shall be deemed to agree on the repurchase price proposed by such Dissenting Member.

- 21.3 Without prejudice to the Law, if, within sixty (60) days from the date of the resolution passed at the general meeting, the Company and the Dissenting Member fail to agree on a price at which the Company will purchase such Dissenting Member's shares, then, within thirty (30) days immediately following the date of the expiry of such sixty (60)-day period, the Company shall file a petition with the court against all the Dissenting Members for a determination of the fair price of the Shares held by all the Dissenting Members. The Taiwan Taipei District Court, ROC, may be the court of the first instance for this matter.

Notwithstanding the above provisions under this Article 21, nothing under this Article shall restrict or prohibit a Member from exercising his right under section 238 of the Statute to payment of the fair value of his shares upon dissenting from a merger or consolidation.

## **22 Shares that May Not be Voted**

- 22.1 Shares held:

- (a) beneficially by the Company itself;
- (b) by any entity in which the Company owns, legally or beneficially, more than 50% of its issued and voting share capital or equity capital; or
- (c) by any entity in which the Company, together with (i) the holding company of the Company and/or (ii) any Subsidiary of (a) the holding company of the Company or (b) the Company owns, legally or beneficially, directly or indirectly, more than 50% of its issued and voting share capital or equity capital; shall not carry any voting rights nor be counted in the total number of outstanding Shares at any given time.

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

- 22.3 If the number of Shares pledged by a Director at any time amounts to more than fifty per cent of the total Shares held by such Director at the time of his latest appointment, such pledged Shares exceeding fifty per cent of the total Shares held by such Director at the time of his latest appointment, shall not carry any voting rights and such above-threshold Shares shall not be counted in determining the number of votes of the Members present at a general meeting but shall be counted towards the quorum of the general meeting.

## **23 Directors**

- 23.1 There shall be a Board consisting of not less than five (5) persons, each of whom shall serve for a three-year term of office. Directors may be eligible for re-election. The Company may from time to time by Special Resolution increase or reduce the limits in the number of Directors set forth in this Article, provided that the requirements by relevant laws and regulations (including but not limited to any listing requirements) are met.
- 23.2 Unless otherwise approved by the TPEX, the number of Directors having a spousal relationship or familial relationship within the second degree of kinship with any other Directors shall be less than half of the total number of Directors.
- 23.3 In the event that the Company convenes a general meeting for the election of Directors and any of the Directors elected does not meet the requirements provided in Article 23.2 hereof, the non-qualifying Director(s) who was elected with the fewest number of votes shall be deemed not to have been elected, to the extent necessary to meet the requirements provided for in Article 23.2 hereof. Any person who has already served as a Director but is in violation of the aforementioned requirements shall vacate his position of Director automatically.
- 23.4 Unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors; provided, however, that the total number of Independent Directors shall amount to one-fifth or more of the total number of the Directors. To the extent required by the Applicable Public Company Rules, at least one of the Independent Directors shall be domiciled in the ROC and at least one of them shall have accounting or financial expertise.
- 23.5 Independent Directors shall have professional knowledge and shall maintain independence within the scope of their directorial duties, and shall not have any direct or indirect interests in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions, and assessment of independence with respect to Independent Directors shall be consistent with the Applicable Public Company Rules.
- 23.6 The qualifications, composition, appointment, removal, exercise of functions and other matters with respect to the Directors, Independent Directors, compensation committee and Audit Committee shall comply with the applicable ROC securities laws and regulations.

## **24 Powers of Directors**

- 24.1 Subject to the provisions of the Statute, the Memorandum and the Articles and to any directions given by a resolution of Members adopted in accordance with the Articles, the business of the Company shall be managed by the Board which may exercise all the powers of the Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. A duly convened meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.
- 24.2 Subject to the Articles, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property or any part thereof and to issue

debentures, debenture stock, mortgages, bonds and other such securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

## **25 Appointment and Removal of Directors**

- 25.1 The Members may at a general meeting elect any person to be a Director, which vote shall be calculated in accordance with Article 25.2 below. Members present in person or by proxy, representing more than one-half of the total outstanding Shares shall constitute a quorum for any general meeting to elect one or more Directors.
- 25.2 The election of Independent Directors and non-independent directors shall be held together and shall be elected pursuant to a cumulative voting mechanism pursuant to a poll vote, where the number of votes exercisable by any Member shall be the same as the product of the number of Shares held by such Member and the number of Directors (including the Independent Directors and non-independent directors) to be elected (“Special Ballot Votes”), and the total number of Special Ballot Votes cast by any Member may be consolidated for election of one Director/Independent Director candidate or may be split for election amongst multiple Director/Independent Director candidates, as specified by the Member pursuant to the poll vote ballot. The top candidates in the number equal to the respective number of the Directors/Independent Directors to be elected, to whom the votes cast represent a prevailing number of votes relative to the other candidates, shall be deemed Directors/Independent Directors elected. The Company shall adopt a candidate nomination mechanism for the election of Directors (including Independent Directors and Directors other than Independent Directors). Subject to the Statute, the nomination of Directors (including Independent Directors and Directors other than Independent Directors) and related announcement shall comply with the Applicable Public Company Rules for so long as the shares are traded on the ESM or listed on the TPEX.
- 25.3 If the number of Independent Directors is less than three persons due to the resignation or removal of any of the Independent Directors for any reason, the Company shall hold an election of Independent Directors at the next following general meeting. If all of the Independent Directors are resigned or removed, the Board shall hold, within sixty days, an extraordinary general meeting to elect succeeding Independent Directors to fill the vacancies.
- 25.4 If the number of Directors is less than five (5) persons due to the vacancy of Director(s) for any reason, the Company shall hold an election of Director(s) at the next following general meeting. When the number of vacancies in the Board of the Company equals to one third of the total number of Directors elected, the Board shall hold, within sixty days, an extraordinary general meeting to elect succeeding Directors to fill the vacancies.
- 25.5 Where a legal entity is a Member, its authorized representative may also be elected as Director of the Company in accordance with these Articles. If there are more than one authorized representatives, each of them may be so elected.
- 25.6 The Company may from time to time by Supermajority Resolution remove any Director from office, whether or not appointing another person to fill the vacancy. Where re-election of all Directors is effected prior to the expiration of the term of office of the current Directors, the term of office of all current Directors is deemed to have expired on the date of the re-election

or any other date as otherwise resolved by the Members at the general meeting if the Members do not resolve that all current Directors will only retire at the expiration of their term of office. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to re-elect all Directors.

- 25.7 Where a Director has, in the course of performing his duties, committed any act resulting in material damages to the Company or in significant violation of applicable laws, regulations or the Articles, but has not been removed by Supermajority Resolution at any given general meeting, the Member(s) holding 3% or more of the total outstanding Shares may, within thirty days after that general meeting, institute a lawsuit in the competent court for a judgment to remove such Director from office. The Taiwan Taipei District Court, ROC, may be the court for this matter.

## **26 Vacation of Office of Director**

26.1 The office of a Director shall be vacated if:

- (a) the Director is removed from office pursuant to the Articles;
- (b) the Director gives notice in writing to the Company that he resigns the office of Director;
- (c) the Director dies or makes any arrangement or composition with his creditors generally;
- (d) the Director has been adjudicated bankrupt or the court has declared a liquidation process in connection with the Director, and such Director has not been reinstated to his rights and privileges;
- (e) an order is made by any competent court or official on the grounds that he has no legal capacity, or his legal capacity is restricted according to the applicable laws;
- (f) the Director has been adjudicated of the commencement of assistantship (as defined under the ROC Civil Code) or similar declaration and such assistantship/declaration having not been revoked yet;
- (g) having committed an offence as specified in the ROC statute of prevention of organizational crimes and subsequently adjudicated guilty by a final judgment, and (A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than five years, or (D) was pardoned for less than five years;
- (h) having committed an offence involving fraud, breach of trust or misappropriation and subsequently punished with imprisonment of a term of one year or more, and (A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than two years, or (D) was pardoned for less than two years;
- (i) having been adjudicated guilty by a final judgment for committing offenses under the ROC Anti-Corruption Act, and (A) has not started serving the sentence, (B) has not

completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than two years, or (D) was pardoned for less than two years; or

- (j) having been dishonoured for use of negotiable instruments, and the term of such sanction has not yet expired.

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

- 26.2 In case a Director (other than an Independent Director) has, during the term of office as a Director, transferred more than one half of the Company's shares being held by him/her at the time he/she is elected, he/she shall, ipso facto, be removed automatically from the position of Director with immediate effect and no shareholders' approval shall be required. For the avoidance of doubt, for any Director who was elected at the annual general meeting of the Company on June 14, 2013 and has, before the adoption of this Article 26.2, transferred more than one half of the Company's shares being held by him at the time he was elected, he shall, ipso facto, be removed automatically from the office of Director with immediate effect and in such case no approval from the shareholders shall be required only if, on or after the date of the adoption of this Article 26.2, he further transfers one or more Company's shares.
- 26.3 If any Director (other than an Independent Director) has, after having been elected and before his/her inauguration of the office of Director, transferred more than one half of the Company's shares being held by him/her at the time of his/her election as a Director, then he/she shall immediately cease to be a Director and no shareholders' approval shall be required. If any Director has, after having been elected as a Director, transferred more than one half of the Company's shares being held by him/her within the share transfer prohibition period prior to the convention of a shareholders' meeting according to the Applicable Public Company Rules, then he/she shall immediately cease to be a Director and no shareholders' approval shall be required.

## **27 Proceedings of the Board**

- 27.1 Subject to the Applicable Public Company Rules, the Chairman of the Board may call a meeting of the Board and the Board may meet (either within or outside of the Cayman Islands) at any time and from time to time for the transaction of business, adjourn and otherwise regulate its meetings as it thinks fit before the Shares are listed on the TPEX. For so long as the Shares are listed on the TPEX, at least seven (7) days' prior notice setting forth the matters to be discussed shall be given for any meeting of the Board; provided that upon the occurrence of emergencies, the Chairman may summon a meeting of the Board with a shorter notice period in a manner consistent with the Applicable Public Company Rules. A resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and no resolution shall be passed in the case of an equality of votes.

- 27.2 The quorum for the transaction of the business of the Board may be fixed by the Board, and unless so fixed at any other number, shall be more than one-half of the total number of the Directors for the time being in office or otherwise as set forth in the Articles.
- 27.3 To the extent permitted by the Applicable Public Company Rules, a Director may participate in a meeting of the Board or committee of Directors by video conference or, to the extent permitted by Applicable Public Company Rules, other communications equipment by means of which all the persons participating in the meeting can communicate with each other at the same time. Participation by a person in a meeting in this manner is treated as presence in person at that meeting.
- 27.4 Notice of a meeting of the Board shall be deemed to be duly given to a Director if given to such Director either personally or by sending it by courier, post, cable, telex, telecopier, facsimile, electronic mail or other mode of representing words in a legible form at such Director's last known address or any other address given by such Director to the Company for this purpose.
- 27.5 The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to the Articles and the Applicable Public Company Rules as the necessary quorum of the Board the continuing Directors may act for the purpose of increasing the number of Directors to be equal to such fixed number, or of summoning a general meeting of the Company, but for no other purpose.
- 27.6 All acts done by any meeting of the Board or of a committee of the Directors shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director and/or that they or any of them were disqualified, and/or had vacated their office and/or were not entitled to vote, be as valid as if every such person had been duly appointed and/or not disqualified to be a Director and/or had not vacated their office and/or had been entitled to vote, as the case may be.
- 27.7 A Director may be represented at any meetings of the Board by a proxy appointed in writing by him. The proxy shall count towards the quorum and the vote of the proxy shall for all purposes be deemed to be that of the appointing Director.

## **28 Directors' Interests**

- 28.1 A Director, other than an Independent Director, may hold any other office or place of profit under the Company in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Board may determine.
- 28.2 A Director, other than an Independent Director, may act by himself or by, through or on behalf of his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- 28.3 A Director, other than an Independent Director, may be or become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested as a shareholder, a contracting party or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company.

- 28.4 No person shall be disqualified from the office of Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director shall be in any way interested be or be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by or arising in connection with any such contract or transaction by reason of such Director holding office or of the fiduciary relationship thereby established; provided that this Article 28.4 does not apply to the Independent Directors.
- 28.5 A Director who is a shareholder, director, officer or employee of any specified firm or company and is to be regarded as interested in any transaction with such firm or company shall declare the nature of such interest to the Company as required by relevant laws and regulations.
- 28.6 Notwithstanding anything to the contrary contained in this Article 28, a Director who engages in anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the Members in a general meeting the essential contents of such conduct and seek its approval by Supermajority Resolution. If the Company proposes to enter into any transaction specified in Articles 21.1 or effect other forms of mergers and acquisitions in accordance with applicable law, a Director who has a personal interest in such transaction shall declare the essential contents of such personal interest and the reason why he believes that the transaction is advisable or not advisable at the relevant meeting of the Board and the general meeting as required by the applicable law. The Company shall, in the notice of a general meeting, disclose the essential contents of such Director's personal interest and the reason why such Director believes that the transaction is advisable or not advisable. The essential contents can be announced at the website designated by Taiwan securities authority or by the Company, and the Company shall specify the link to the website in the notice of the relevant general meeting. Where the spouse, the person related to a Director by blood and within the second degree, or any company which has a controlling or controlled relationship with a Director has interests in the matters under discussion in the meeting of the Board in the preceding paragraph, such Director shall be deemed to have a personal interest in the matter. The terms "controlling" and "controlled" shall be interpreted in accordance with the Applicable Public Company Rules.
- 28.7 Notwithstanding anything to the contrary contained in this Article 28, a Director who has a personal interest in the matter under discussion at a meeting of the Board shall declare the nature of and the essential contents of his interest at the relevant meeting of the Board.
- 28.8 Notwithstanding anything to the contrary contained in this Article 28, a Director who has a personal interest in the matter under discussion at a meeting of the Board, which may conflict with and impair the interest of the Company, shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the meeting of the Board.

## **29 Minutes**

The Board shall cause minutes to be made in books kept for the purpose of:

- (a) all appointments of officers made by the Board; and
- (b) all proceedings and resolutions at meetings of the Members or the holders of any class of Shares and of the Board, and of committees of the Directors, including the names of the Directors present at each meeting.

## **30 Delegation of the Board's Powers**

- 30.1 The Board may, in a manner consistent with the Applicable Public Company Rules, delegate any of its powers, authorities and discretions, including the power to sub-delegate, to any committee consisting of one or more Directors. They may also delegate to any managing director or any Director holding any other executive office such of their powers, authorities and discretions as they consider desirable to be exercised by him provided that the appointment of a managing director shall be revoked forthwith if he ceases to be a Director. Any such delegation may be made subject to any conditions the Board may impose and either collaterally with or to the exclusion of their own powers and any such delegation may be revoked or altered by the Board. Subject to any such conditions, the proceedings of a committee of Directors shall be governed by the Articles regulating the proceedings of the Board, so far as they are capable of applying.
- 30.2 The Board may establish any committees or appoint any person to be a manager or agent for managing the affairs of the Company. Any such appointment may be made subject to any conditions the Board may impose, and either collaterally with or to the exclusion of their own powers and any such appointment may be revoked or altered by the Board.
- 30.3 The Board may by power of attorney or otherwise appoint any person to be the agent of the Company on such conditions as the Board may determine, provided that the delegation is not to the exclusion of their own powers and may be revoked by the Board at any time.
- 30.4 The Board may by power of attorney or otherwise appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be the attorney or authorised signatory of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under the Articles) and for such period and subject to such conditions as it may think fit, and any such powers of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorneys or authorised signatories as the Board may think fit and may also authorise any such attorney or authorised signatory to delegate all or any of the powers, authorities and discretions vested in him.
- 30.5 The Board may appoint such officers of the Company (including, for the avoidance of doubt and without limitation, any secretary) as it considers necessary on such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Board may think fit. Unless otherwise specified in the terms of his appointment an officer of the Company may be removed by resolution of the Board or

Members. An officer of the Company may vacate his office at any time if he gives notice in writing to the Company that he resigns his office.

### **31 Tender Offer**

Any public announcement in connection with any tender offer of the Company's shares shall be in compliance with the Applicable Public Company Rules, including but not limited to "Regulations Governing Public Tender Offers for Securities of Public Companies".

### **32 Remuneration of Directors**

The remuneration of the Directors shall be decided by the Board by reference to the suggestion made by the compensation committee (applicable only after the establishment of such compensation committee), the standard generally adopted by other enterprises in the same industry, and shall be paid regardless whether the Company has profits or suffers losses. The Directors may also be entitled to be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, or general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally. A Director is also entitled to distribution of profits of the Company in accordance with the Articles, the Statute, the Applicable Public Company Rules, the service agreement or other similar contract that he has entered into with the Company.

### **33 Seal**

- 33.1 The Company may, if the Board so determine, have a Seal. The Seal shall only be used by the authority of the Board or of a committee of the Directors authorised by the Board. Every instrument to which the Seal has been affixed shall be signed by at least one person who shall be either a Director or some officer of the Company or other person appointed by the Board for the purpose.
- 33.2 The Company may have for use in any place or places outside the Cayman Islands a duplicate Seal or Seals each of which shall be a facsimile of the common Seal of the Company and, if the Board so determines, with the addition on its face of the name of every place where it is to be used.
- 33.3 A Director or officer, representative or attorney of the Company may without further authority of the Board affix the Seal over his signature alone to any document of the Company required to be authenticated by him under seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.

### **34 Dividends, Distributions and Reserve**

34.1 The Company is in an industry of high-quality interior fittings for luxury brands and its life cycle is in the phase of business expansion and steady growth. Considering that the Company's overall developments, financial planning, fund needs and prosperity and prospects of the industry and ensuring the protection of shareholders' interests, the Company shall adopt a conservative and sound dividend policy for dividend distribution. Subject to the Statute, Article 12.4(a) and this Article and except as otherwise provided by the rights attached to any Shares, the Company may distribute profits in accordance with a proposal for profits distribution approved by the Board and sanctioned by the Members by an Ordinary Resolution, in annual general meetings. If there are profits, in making the profits distribution recommendation, the Board shall set aside out of the profits of the Company for each financial year: (i) a reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses incurred in previous years; and (iii) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules. After combining accumulated undistributed earnings in the previous years and setting aside a certain amount of remaining profits of such financial year as a reserve or reserves for development purposes as the Board may from time to time think fit pursuant to Article 34.6, subject to the compliance with the Statute, the remaining amount shall be distributed in the following sequence and manner upon approval by the Members:

- (a) no less than 0.2% as employees' bonus;
- (b) no more than 5% as directors' bonus; and
- (c) no less than 20% to the Members as Dividends, provided that, cash Dividends shall not be less than 10% of the total amount of Dividends.

Dividends to the Members and the employees' bonus may be distributed, in the discretion of the Board, by way of cash or by way of applying such sum in paying up in full unissued shares or a combination of both for allocation and distribution to employees or the Members. The Board may adjust the cash Dividends payout ratio in any given year based on the Company's net income and business operations for the respective financial year. When the employees' bonus is distributed by way of an issue of fully paid shares or cash, the recipients may include qualified employees of the Company's Subsidiaries. No unpaid dividend and bonus shall bear interest as against the Company.

34.2 The Company, in addition to the dividends to be distributed at the end of each financial year, may distribute interim dividends to the Members on semi-year basis. If the Board decides not to distribute interim dividends, the Board shall adopt a resolution to confirm such non-distribution after the relevant first half of the financial year. The distribution of the dividends at the end of each financial year shall comply with the requirements and procedures set forth in Articles 34.1 to 34.8 and 34.12 to 34.13 and the distribution of the dividends for the first half of the financial year shall comply the requirements and procedures set forth in Articles 34.8 to 34.13.

34.3 No Dividend or other distribution shall be paid except out of the realised or unrealised profits of the Company, out of the share premium account or any reserve, fund, or account as otherwise permitted by the Statute. Except as otherwise provided by the rights attached

to any Shares, all Dividends and other distributions shall be paid according to the number of the Shares that a Member holds. If any Share is issued on terms providing that it shall rank for Dividend as from a particular date, that Share shall rank for Dividend accordingly.

- 34.4 The Board may deduct from any Dividend or other distribution payable to any Member all sums of money (if any) then payable by him to the Company for any reason.
- 34.5 Subject to Article 34.1 and the Statute, the Board may resolve that any Dividend or other distribution be paid wholly or partly by the distribution of specific assets and in particular (but without limitation) by the distribution of shares, debentures, or securities of any other company or in any one or more of such ways subject, however (a) the obtaining of (i) the approval in a general meeting of the type of specific assets and the corresponding amount of such substitutive distribution; and (ii) the consent from the Member who will receive such assets; and (b) the value of specific assets and the corresponding amount of such substitutive distribution shall be assessed by an ROC certified public accountant before the Board submit the same to a general meeting for approval. Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient and in particular may determine that cash payments shall be made to any Members upon the basis of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees in such manner as may seem expedient to the Board.
- 34.6 The Board may, before resolving to pay any Dividend or other distribution, set aside such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose of the Company and pending such application may, at the discretion of the Board, be employed in the business of the Company.
- 34.7 Any Dividend, other distribution, interest or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of the holder who is first named on the Register of Members or to such person and to such address as such holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any Dividends, other distributions, bonuses, or other monies payable in respect of the Share held by them as joint holders.
- 34.8 No Dividend or other distribution shall bear interest against the Company.
- 34.9 The Company may distribute interim dividend in accordance with a proposal for profits distribution approved by the Board, provided that if the interim dividend will be distributed by way of applying such sum in paying up in full unissued shares, in addition to the approval of the Board, such distribution shall also be sanctioned by the Members by a Supermajority Resolution in a general meeting.
- 34.10 For the distribution of interim dividends, the proposal of surplus earning distribution or loss off-setting for [the relevant quarter/the first half of the financial year], together with the business report and financial statements (which shall be audited or reviewed by a certified public accountant in accordance with the Applicable Public Company Rules), shall be submitted to the Audit Committee for approval, and then, be submitted to the Board for approval.

- 34.11 When the Company makes the interim distribution, the Company shall (a) estimate and reserve all payable taxes, (b) offset losses incurred in previous years, and (c) reserve the Statutory Reserve (unless the Statutory Reserve has reached the total paid-up capital of the Company).
- 34.12 The Board shall fix any date as the record date for determining the Members entitled to receive any Dividend or other distribution. The Register of Members shall be closed for a period of five days before the relevant fixed record date or such other period consistent with the Applicable Public Company Rules or the Statute.
- 34.13 Any Dividend or other distribution which cannot be paid to a Member and/or which remains unclaimed after six months from the date on which such Dividend or other distribution becomes payable may, in the discretion of the Board, be paid into a separate account in the Company's name, provided that the Company shall not be constituted as a trustee in respect of that account and the Dividend or other distribution shall remain as a debt due to the Member. Any Dividend or other distribution which remains unclaimed after a period of six years from the date on which such Dividend or other distribution becomes payable shall be forfeited and shall revert to the Company.

### **35 Capitalisation**

Subject to the Statute, the Board may, with the authority of a Supermajority Resolution, at any time capitalise any sum standing to the credit of any of the Company's reserve accounts of funds (including the share premium account and Capital Redemption Reserve) or any sum standing to the credit of the profit and loss account or otherwise available for distribution; appropriate such sum to Members in the proportions in which such sum would have been divisible amongst such Members had the same been a distribution of profits by way of Dividend or other distribution; and 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. In such event the Board shall do all acts and things required to give effect to such capitalisation, with full power given to the Board to make such provisions as it thinks fit for the case of Shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Board may authorise any person to enter on behalf of all of the Members interested into an agreement with the Company providing for such capitalisation and matters incidental or relating thereto and any agreement made under such authority shall be effective and binding on all such Members and the Company.

### **36 Treasury Shares**

- 36.1 Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) shall be cancelled immediately or held as treasury shares (“**Treasury Shares**”) at the discretion of the Directors.
- 36.2 No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made to the Company in respect of a Treasury Share.

- 36.3 The Company shall be entered in the Register of Members as the holder of the Treasury Shares provided that:
- (a) the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
  - (b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of these Articles or the Statute.
- 36.4 A proposal to transfer the Treasury Shares to the employees of the Company and/or its Subsidiaries at a price below the average actual repurchase price shall be approved by Special Resolution in the next general meeting and the items required by the Applicable Public Company Rules shall be specified in the notice of the general meeting and may not be proposed as an extemporary motion. The aggregate number of Treasury Shares resolved at the general meetings for transfer to the employees of the Company and its Subsidiaries shall not exceed 5% of the total issued and outstanding Shares, and each employee may not subscribe for more than 0.5% of the total issued and outstanding Shares in aggregate. The Company may prohibit such employees from transferring such Treasury Shares within a certain period; provided, however, that such a period cannot be more than two years.
- 36.5 Subject to Article 36.4, Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Directors.

### **37 Books of Account**

- 37.1 The Board shall cause proper books of account to be kept with respect to all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place, all sales and purchases of goods by the Company and the assets and liabilities of the Company. Proper books of account shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions. Such books of account shall be kept for at least five years from the date they are prepared.
- 37.2 The instruments of proxy, documents, forms/statements and information in electronic media prepared in accordance with the Articles and relevant laws and regulations shall be kept for at least one year; provided, however, that if a Member institutes a lawsuit with respect to such instruments of proxy, documents, forms/statements and/or information, they shall be kept until the conclusion of the lawsuit if the lawsuit period is longer than one year.

### **38 Audit Committee**

- 38.1 The Company shall establish an Audit Committee. The Audit Committee shall comprise solely of Independent Directors and all Independent Directors shall be members of the Audit Committee. There should be no less than three committee members. One of the Audit Committee members shall be appointed as the convener to convene meetings of the Audit Committee from time to time and at least one of the Audit Committee members shall have

accounting or financial expertise. A valid resolution of the Audit Committee requires approval of one-half or more of all its members. The rules and procedures of meeting of the Audit Committee shall be adopted by the Board in a manner consistent with the Articles and the Applicable Public Company Rules.

- 38.2 Any of the following matters of the Company shall require the consent of one-half or more of all Audit Committee members and be submitted to the Board for resolution:
- (a) adoption of or amendment to an internal control system;
  - (b) assessment of the effectiveness of the internal control system;
  - (c) adoption of or amendment to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others;
  - (d) any matter relating to the personal interest of the Directors;
  - (e) a material asset or derivatives transaction;
  - (f) a material monetary loan, endorsement, or provision of guarantee;
  - (g) the offering, issuance, or Private Placement of any equity-type securities;
  - (h) the hiring or dismissal of an attesting certified public accountant, or the compensation given thereto;
  - (i) the appointment or discharge of a financial, accounting, or internal auditing officer;
  - (j) approval of annual and semi-annual financial reports; and
  - (k) any other matter so determined by the Company from time to time or required by any competent authority overseeing the Company.

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

- 38.3 Subject to compliance with the Statute, before the meeting of Board resolves any matter specified in Articles 21.1 or other mergers and acquisitions in accordance with the applicable law, the Audit Committee shall review the fairness and reasonableness of the relevant merger and acquisition plan and transaction, and report its review results to the meeting of Board and the general meeting; provided, however, that such review results need not be submitted to the general meeting if the approval of the Members is not required under the applicable law. When the Audit Committee conducts the review, it shall engage an independent expert to issue an opinion on the fairness of the share exchange ratio, cash consideration or other assets to be offered to the Members. The review results of the Audit Committee and the fairness opinion issued by the independent expert shall be distributed to the Members, along with the notice of the general meeting; provided, however, that the Company can only report matters relating to such merger and acquisition at the next following general meeting if the approval of the Members is not required under the applicable law. Such review results and fairness opinion shall be deemed to have been distributed to the Members if the same have been

uploaded onto the website designated by Taiwan securities authority and made available to the Members for their inspection and review at the venue of the general meeting.

### **39 Compensation Committee**

- 39.1 The Company shall, in accordance with the Applicable Public Company Rules, by resolution of the Board establish a compensation committee comprised of at least three members, one of whom shall be an Independent Director. The professional qualifications of the members of the compensation committee, the responsibilities, powers and other related matters of the compensation committee shall comply with the Applicable Public Company Rules. Upon the establishment of the compensation committee, the Board shall, by a resolution, adopt a charter for the compensation committee the provisions of which are consistent with the Applicable Public Company Rules.
- 39.2 The compensation referred in Article 39.1 shall include the compensation, stock option and other incentive payments of Directors and managers of the Company.

### **40 Notices**

- 40.1 Notices shall be in writing and may be given by the Company to any Member either personally or by sending it by courier, post, cable, telex, fax or e-mail to him or to his address as shown in the Register of Members or to such other address given for such purpose.
- 40.2 Where a notice is sent by courier, service of the notice shall be deemed to be effected by delivery of the notice to a courier company, and shall be deemed to have been received on the third day (not including Saturdays or Sundays or public holidays in the ROC) following the day on which the notice was delivered to the courier. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre paying and posting a letter containing the notice, and shall be deemed to have been received on the fifth day (not including Saturdays or Sundays or public holidays in the ROC) following the day on which the notice was posted. Where a notice is sent by cable, telex or fax, service of the notice shall be deemed to be effected by properly addressing and sending such notice and shall be deemed to have been received on the same day that it was transmitted. Where a notice is given by e-mail service shall be deemed to be effected by transmitting the e-mail to the e-mail address provided by the intended recipient and shall be deemed to have been received on the same day that it was sent, and it shall not be necessary for the receipt of the e-mail to be acknowledged by the recipient.
- 40.3 A notice may be given by the Company to the person or persons which the Company has been advised are entitled to a Share or Shares in consequence of the death or bankruptcy of a Member in the same manner as other notices which are required to be given under the Articles and shall be addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the persons claiming to be so entitled, or at the option of the Company by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

- 40.4 Notice of every general meeting shall be given in any manner authorised by the Articles to every holder of Shares carrying an entitlement to receive such notice on the record date for such meeting except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the Register of Members and every person upon whom the ownership of a Share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member where the Member but for his death or bankruptcy would be entitled to receive notice of the meeting, and no other person shall be entitled to receive notices of general meetings.

## **41 Winding Up**

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

## **42 Indemnity and Insurance**

- 42.1 Every Director of the Company (each an "**Indemnified Person**") shall be indemnified out of the assets of the Company against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, whatsoever which they or any of them may incur as a result of any act or failure to act in carrying out their functions other than such liability (if any) that they may incur by reason of their own actual fraud or wilful default. No Indemnified Person shall be liable to the Company for any loss or damage incurred by the Company as a result (whether direct or indirect) of the carrying out of their functions unless that liability arises through the actual fraud, Gross Negligence or wilful default of such Indemnified Person or in violation of his/her/its duties provided under Article 42.3. No person shall be found to have committed actual fraud, Gross Negligence or wilful default

under this Article unless or until a court of competent jurisdiction shall have made a finding to that effect.

- 42.2 The Company shall advance to each Indemnified Person reasonable attorneys' fees and other costs and expenses incurred in connection with the defence of any action, suit, proceeding or investigation involving such Indemnified Person for which indemnity will or could be sought. In connection with any advance of any expenses hereunder, the Indemnified Person shall execute an undertaking to repay the advanced amount to the Company if it shall be determined by final judgment or other final adjudication that such Indemnified Person was not entitled to indemnification pursuant to this Article. If it shall be determined by a final judgment or other final adjudication that such Indemnified Person was not entitled to indemnification with respect to such judgment, costs or expenses, then such party shall not be indemnified with respect to such judgment, costs or expenses and any advancement shall be returned to the Company (without interest) by the Indemnified Person.
- 42.3 Without prejudice to the duties owed by a Director to the Company under common law of the Cayman Islands and subject to the Statute, a Director shall assume fiduciary duty to the Company and without limitation, shall exercise due care of a good administrator in conducting the business operation of the Company. A Director shall be liable to the Company if he/she/it has acted contrary to the above. In case such action is made for himself/herself/itself or on behalf of another person in violation of the provisions above, the Company may, with the sanction of an Ordinary Resolution, demand the Director to disgorge any profit so realized by the Director as if such misconduct is done for the benefit of the Company. If a Director of the Company has, in the course of conducting the business operations, violated any provision of the applicable laws and/or regulations and thus caused damage to any other person, he/she/it shall be liable, jointly and severally with the Company, for the damage to such other person.
- 42.4 The officers or managers of the Company, who are authorised to act on its behalf in a management capacity, in the course of performing their respective duties to the Company, shall assume such duties and obligations to indemnify the Company or any other person in the same manner as if they are Directors.
- 42.5 The Board, on behalf of the Company, may purchase and maintain insurance for the benefit of any Director or other officer of the Company against any liability which, by virtue of any rule of law, would otherwise attach to such person in respect of any negligence, default, breach of duty or breach of trust of which such person may be guilty in relation to the Company.

### **43 Financial Year**

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

#### **44 Transfer by Way of Continuation**

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

#### **45 Derivative Action**

To the extent permitted under the laws of the Cayman Islands, Members continuously holding one per cent (1%) or more of the total issued shares of the Company for six months or longer may send a written request to the Audit Committee to pass a resolution to authorise any Independent Director or Independent Directors, acting singly or collectively, to file a petition with the Taiwan Taipei District Court for and on behalf of the Company against any of the Directors. If within thirty (30) days after receiving the above written request by the Member(s), the Audit Committee fails to pass the aforementioned resolution, or after the relevant resolution was passed by the Audit Committee, the relevant Independent Director(s) fail(s) to file such petition, such Member(s) may, to the extent permitted under the laws of the Cayman Islands, file a petition with the Taiwan Taipei District Court for and on behalf of the Company against the relevant Directors.

#### **46 Litigious and Non-litigious Agent**

So long as the Shares are listed on the TPEX, the Company shall appoint a litigious and non-litigious agent pursuant to the Applicable Public Company Rules to act as the Company's responsible person in the ROC under the ROC Securities and Exchange Act. The Company's litigious and non-litigious agent shall be a natural person and have a residence or domicile in the ROC.

#### **47 Shareholder Protection Mechanism**

If the Company proposes to undertake:

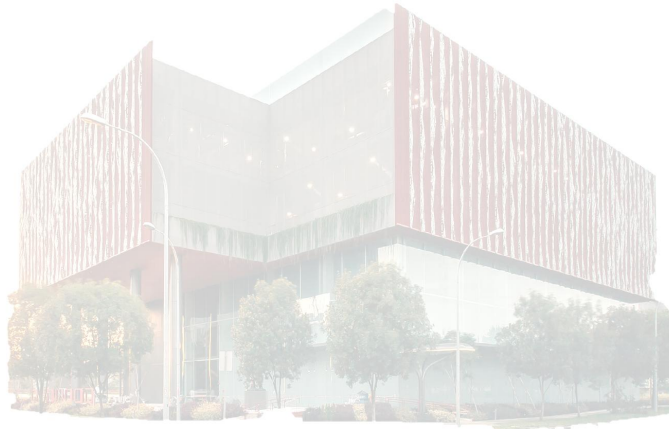
- (a) a merger or consolidation which will result in the Company being dissolved;
- (b) a sale, transfer or assignment of all of the Company's assets and businesses to another entity;
- (c) a Share Exchange; or
- (d) a Spin-off,

which would result in the termination of the Company's listing on the TPEX, and where (in the case of (a) above) the surviving entity, (in the case of (b) above) the transferee, (in the case of (c) above) the entity whose shares has been allotted in exchange for the Company's shares and, (in the case of (d) above) the existing or newly incorporated spun-off company is not a listed company on the Taiwan Stock Exchange or TPEX, then in addition to any requirements to be satisfied under the Statute, such action shall be first approved at a general meeting by a

resolution passed by members holding two-thirds or more of the votes of the total number of issued shares of the Company.

#### **48 Social Responsibilities**

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



## **[Appendix II] Rules of Procedure for Shareholders' Meeting**

### **Redwood Group Ltd**

#### **Rules of Procedure for Shareholders' Meeting**

Article 1 The Rules of Procedure for Shareholders' Meeting (the Rules) are drawn up in accordance with the Company's Articles of Incorporation and relevant laws and regulations in order to build a sound governance system for the shareholders' meeting, reinforce its supervisory functions, and strengthen its management functions.

Article 2 Unless otherwise provided by the laws and regulations, the Company's shareholders' meeting shall be convened by the Board of Directors.

The company shall hold a video conference of the shareholders' meeting. unless otherwise stipulated in the stock affairs handling guidelines of companies offering shares to the public, which shall be specified in the articles of association and shall be resolved by the board of directors. And the videoconference of the shareholders' meeting shall be approved by the board of directors with more than two-third of the directors present and present directors. Resolution approved by more than half of the votes shall be implemented.

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.

For the convention of an annual general meeting, a meeting agenda shall be prepared and all shareholders shall be notified thirty (30) days prior to the meeting. For the convention of an extraordinary general meeting, all shareholders shall be notified fifteen (15) days in advance. While the shares are traded at the Taipei Exchange, the Company shall make public announcement of the meeting notice, letter of authorization, agenda, as well as information concerning proposed resolutions, e.g. proposals for ratification and discussion items (including but not limited to the appointment and discharge of Directors), etc., for the shareholders' meeting pursuant to Article 16.1 of the Articles of Incorporation, and upload them to the Market Observation Post System (MOPS) in accordance with regulations governing public companies. If shareholders are to vote in writing, the Company shall deliver a print copy of the material in the preceding paragraph and a ballot to shareholders pursuant to Article 16.1 of the Articles of Incorporation. The Board of Directors shall prepare agenda and supplementary information for the shareholders' meeting pursuant to regulations governing public companies, deliver them or make them available to the shareholders, and upload those material to the MOPS. However, if the company's paid-in capital amounted to NT\$10 billion or more at the end of the most recent fiscal year, or the company held an ordinary meeting of shareholders in the most recent fiscal year, and the total shareholding ratio of foreign capital and mainland capital listed in the shareholder register is more than 30%. The transmission of the pre-opened electronic file shall be completed 30 days before the regular meeting of shareholders.

On the day of general meeting of shareholders, the Company shall provide shareholders with reference to the procedural manual and meeting supplementary materials mentioned in the preceding paragraph in the following manner:

1. When the physical shareholder meeting is held, it shall be issued on the spot of the shareholder meeting.
2. When convening a video-assisted shareholders' meeting, it shall be distributed at the site of the shareholders' meeting and sent to the video conference platform as an electronic file.
3. When convening a video conference, the electronic file shall be sent to the video conference platform.

The notice and public announcement shall indicate the reasons for convening the meeting. The notice, if agreed by counterparties, may be delivered by electronic means.

The appointment and discharge of Directors and Independent Directors; amendments to the Article of Incorporation; capital reduction; delisting application; removal of non-compete restriction for Directors; capital increase out of earnings; capital increase out of capital reserve; the dissolution, merger, spin off of the company; or matters that cannot be raised as a special motion as stipulated in subparagraphs under Paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities And Exchange Act, Articles 56-1 and 60-2 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers," and the Company's Articles of Incorporation shall be listed in the reasons for convening the meeting with key points disclosed and shall not be raised as a special motion.

Where the reasons for convening the meeting have been clearly stated as the election of all Directors and Supervisors, with the date to assume office stipulated, once the election is completed during the shareholders' meeting, the date cannot be changed via a special motion or any other means within the same meeting.

Shareholders holding 1 percent or more of the total number of issued shares may submit proposals for the annual general meeting. Each proposal is limited to one subject matter. Those with more than one proposal shall not be included in the motion. In addition, if a proposal proposed by a shareholder falls under any of the circumstances in Subparagraph 4 of Article 172-1 of the Company Law, the board of directors may not include it as a proposal. Shareholders may submit suggestive proposals to urge the company to promote public interests or fulfill social responsibilities. The procedure shall be limited to one item in accordance with the relevant provisions of Article 172-1 of the Company Law. Proposals exceeding one item shall not be included in the proposal.

Prior to the book closure date before the annual general meeting, the Company shall publicly announce the acceptance of shareholders' proposals, the means for submission in writing or via electronic means, and the location and period for such submission. The period for submission shall not be less than ten (10) days.

Shareholders' proposal shall be limited to 300 words. Proposals containing more than

300 words shall not be included in the agenda. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the annual general meeting and participate in the discussion of his/her proposal.

The Company shall inform the shareholders who has submitted proposals the outcome of those proposals before the notification date for the meeting and include proposals in compliance with provisions of this Article in the meeting notice. For proposals failing to be included in the agenda, the Board of Directors shall explain the reasons in the shareholders' meeting.

Article 3 Shareholders may submit the letter of authorization printed by the Company at each shareholders' meeting, indicating the scope of authorization and appointing a proxy to attend the shareholders' meeting.

Each shareholder is limited to submit one letter of authorization and appoint one person as a proxy. The form shall be delivered to the Company five (5) days prior to the shareholders' meeting. If duplicate forms are received, the one that arrives earliest shall prevail, unless a statement is made to withdraw the previous letters of authorization.

Once the letter of authorization is delivered to the Company, if the shareholder intends to attend the meeting in person, he/she may notify the Company to withdraw the letter of authorization in writing at least two (2) days prior to the shareholders' meeting. If the withdrawal statement did not arrive in time, the voting rights of the proxy shall prevail.

After the power of attorney is delivered to the company, shareholders wishing to attend the shareholders' meeting by videoconference shall notify the company in writing of the cancellation of the proxy two days before the shareholders' meeting.

Article 4 The Company shall specify the time and location for shareholders. Solicitor, entrusted agent (hereinafter referred to as shareholder) attendance registration and other matters to be noted in the meeting notice.

The said time for shareholder attendance registration shall be at least thirty (30) minutes before the meeting commences. The place for registration shall be clearly marked and a sufficient number of capable personnel shall be assigned to the task. The video conference of the shareholders' meeting shall be registered on the video conference platform of the shareholders' meeting 30 minutes before the start of the meeting. Shareholders who have completed the registration are deemed to have attended the shareholders' meeting in person.

The shareholders shall attend the shareholders' meeting with attendance permit, attendance card or other attendance certificates. The Company shall not arbitrarily request attending shareholders to provide other documents of proof. Those who solicit letters of authorization shall also bring identification documents for verification.

The Company shall prepare the attendance booklet for the attending shareholders to sign in, or the attending shareholders may submit the attendance cards in lieu of signing in.

The Company shall deliver the meeting agenda, annual report, attendance permit, speaker's slip, voting ballot and other meeting materials to the shareholders attending the shareholders' meeting. If Directors are to be elected, ballots shall also be provided.

When the government or a juristic person is a shareholder, the representative attending the shareholders' meeting is not limited to only one person. When a juristic person is appointed to attend as a proxy in the shareholders' meeting, it may designate only one person to attend on its behalf.

If the shareholders meeting is convened by video conference shareholders who wish to attend by video conference shall register with the company two days before the shareholders meeting.

If the shareholders' meeting is held by video conference. The company shall upload the procedure manual, annual report and other relevant materials to the shareholders' meeting video conference platform at least 30 minutes before the start of the meeting, and continue to disclose them until the end of the meeting.

Article 4-1 When the company holds a shareholders meeting, via video conference, the following items shall be specified in the shareholders meeting convening notice:

1. Shareholder' participation in video conferences and methods for exercising their rights.
2. Handling of barriers to the video conferencing platform or participation via video due to natural disasters, accidents, or other force majeure events, including at least the following items:
  - (1) The time when the meeting must be postponed or resumed, and the date when the meeting must be postponed or continued if the previous obstacles continue to be unable to be ruled out.
  - (2) Shareholders who have not registered to participate in the original shareholders' meeting via video conference shall not participate in the postponed or continued meeting.
  - (3) To convene a video-assisted stock meeting, if the video conference cannot be continued, after deducting the number of shares that participated in the stock meeting through video, the total number of shares attended reaches the statutory quota for the shareholders' meeting, the shareholders' meeting should continue and participate in the video Shareholders, shares number of shares attended shall be included in the total number of shareholders' shares present, shall be deemed to have abstained from voting on all proposals at the shareholders' meeting.
  - (4) How to deal with the situation where all the motions have been announced and no provisional motions have been made.
3. To convene a video conference shareholders meeting, which shall specify appropriate alternative measures for shareholders who have difficulty participating in video conferencing. Except for the circumstances stipulated in Item 6. Article 44-

9 of the Service Handling Standards for Public Offering Companies, at least provide shareholders which connection equipment and necessary assistance, and specify the period during which shareholders can apply to the company and other relevant matters that should be paid attention to .

Article 5 The shareholders' meeting is presided by the Chairman of the Board of Directors if convened by the Board. It is advised to have the majority of Directors of the Board and at least one Independent Director to attend in person and at least one representative from each functional committee to attend and the attendance is recorded in the minutes of shareholders' meeting. When the Chairman is on leave or for some reasons unable to exercise the power, the Vice Chairman shall serve as a proxy. If there is no Vice Chairman or the Vice Chairman is on leave or for some reasons unable to exercise the power, the Chairman shall appoint a Managing Director to serve as a proxy. If there are no Managing Directors, the Chairman shall appoint one Director to serve as a proxy. If the Chairman does not appoint a proxy, the Directors shall elect one from among themselves.

When a Managing Director or a Director is to preside at the meeting, he/she shall have held the position for at least six (6) months and understands the Company's financial and business conditions. The same rule applies when a representative of a juristic person Director is to preside at the meeting.

If the shareholders' meeting is convened by any other party entitled to convene the meeting, the convening party shall preside at the meeting. When there are two (2) or more convening parties, they shall choose a person from among themselves to preside at the meeting.

The Company may appoint designated attorneys, certified public accountants (CPAs) or related persons to attend the shareholders' meeting.

Article 6 The Company shall record audio or video commencing from the shareholder attendance registrations to the shareholders' meeting, and the voting and ballot counting processes uninterruptedly and retain the recording for at least one year.

If litigations associated with the convention procedures or resolution process of the shareholder's meeting arise, the recordings shall be retained until the litigation is concluded.

If the shareholders' meeting is held by video conference, the company shall keep records of shareholders' brochures, registration, registration questions, voting, and company vote counting results, and shall record and video and the entire process of the video conference continuously and uninterrupted.

The company shall properly keep the materials and audio and video recordings in the preceding paragraph during the period of existence, and provide the audio and video recordings to the person entrusted to handle the video conferencing affairs for storage.

If the shareholders' meeting is held by video conference, the company should make audio and video recordings for the background operation interface of the video conference platform.

Article 7 The attendance at the shareholders' meeting shall be calculated based on the number of shares. The number of shares in attendance shall be calculated in accordance with the shares indicated by the attendance booklet or attendance card submitted and video conferencing platform registration number of shares plus the number of shares with voting rights exercised by correspondence or electronic means.

The Chairman shall call the meeting to order at the scheduled time and announce the number of shares with no voting rights and the number of shares in attendance. When the majority of the total number of issued shares are not represented by the attending shareholders, the Chairman may announce to postpone the meeting. The postponement is limited to two (2) times with a combined duration of less than one hour. If the quorum stipulated in the Company's Articles of Incorporation is not met after two (2) postponements, the Chairman shall announce the adjournment of the meeting. If the shareholders' meeting is held by video conference, the company shall also announce the streamed meeting on the video conference platform of the shareholders' meeting. However, if a shareholders' meeting is still required, one shall be re-convened in accordance with the Articles of Incorporation.

Article 8 The Board of Directors shall formulate the meeting agenda if the shareholders' meeting is convened by the Board of Directors. Relevant proposals (including special motions and amendments to the original proposals) shall be resolved by voting on a proposal-by-proposal basis. The meeting shall proceed according to the agenda which shall not be changed without a resolution of the shareholders' meeting.

The above provisions apply mutatis mutandis to the shareholders' meeting convened by a party entitled to convene other than the Board of Directors.

The Chairman shall not announce adjournment of the meeting before completion of the agenda (including special motions) referred to in the two preceding paragraphs unless otherwise resolved at the shareholders' meeting. If the Chairman announces the adjournment in violation of the Rules, other members of the Board shall promptly assist the attending shareholders in electing a Chairman pursuant to the statutory procedures with the consent of the majority of voting rights represented by the attending shareholders to continue the meeting.

The Chairman shall give ample opportunity for explanation and discussion of the proposals, and amendments or special motions proposed by the shareholders. When the Chairman believes that a proposal has been discussed sufficiently to put it to a vote, he/she shall announce the discussion closed and call for a vote. He/she shall also allow ample time for voting.

Article 9 Before speaking, the attending shareholder shall complete the speaker's slip indicating the subject of speech, shareholder's account number (or the number of attendance permit) and account name. The sequence of speeches shall be determined by the Chairman.

If the attending shareholder submits a speaker's slip without speaking, it shall be deemed as making no speeches. If the contents of speech are inconsistent with the contents of the speaker's slip, the contents of speech shall prevail.

The shareholder shall not make a speech concerning the same proposal for more than two (2) times without the consent of the Chairman, and the duration of each speech shall not exceed five (5) minutes. If the shareholder speaks in violation of the provisions or beyond the scope of agenda item, the Chairman may stop the speech.

When the attending shareholder speaks, other shareholders shall not interrupt the speech unless they are permitted by the Chairman and the speaking shareholder. Otherwise, the Chairman shall stop such interruption.

If a corporate shareholder appoints two or more representatives to attend the shareholders' meeting, only one representative may speak for each agenda item.

After the attending shareholder has spoken, the Chairman may respond in person or appoint an appropriate person to respond.

If the shareholders meeting is convened by video conference, the shareholders who participate in the video conference may ask questions by means of the video conference platform of the shareholders meeting after the chairman announces the opening of the meeting and before announcing the adjournment of the meeting. The limit is 200 characters, and the provisions of items 1 to 5 do not apply.

If the question in the preceding paragraph does not violate the regulations or exceed the scope of the proposal, it is advisable to disclose the question on the video conferencing platform of the shareholders meeting for public awareness.

Article 10 Before speeches are made at the shareholders' meeting, the attending shareholder shall complete the speaker's slip indicating the subject of speech, shareholder's account number (or the number of attendance permit) and account name. The sequence of speeches shall be determined by the Chairman.

If the attending shareholder submits a speaker's slip without speaking, it shall be deemed as making no speeches. If the contents of speech are inconsistent with the contents of the speaker's slip, the contents of speech shall prevail.

The shareholder shall not make a speech concerning the same proposal for more than two (2) times without the consent of the Chairman, and the duration of each speech shall not exceed five (5) minutes. If the shareholder speaks in violation of the provisions or beyond the scope of agenda item, the Chairman may stop the speech.

When the attending shareholder speaks, other shareholders shall not interrupt the speech unless they are permitted by the Chairman and the speaking shareholder. Otherwise, the Chairman shall stop such interruption.

If a corporate shareholder appoints two (2) or more representatives to attend the shareholders' meeting, only one representative may speak for each agenda item.

After the attending shareholder has spoken, the Chairman may respond in person or appoint an appropriate person to respond.

Article 11 Unless otherwise provided by the Company's Articles of Incorporation, shareholders are entitled to one vote for each share held.

When the Company convenes a shareholder's meeting, voting rights may be exercised by correspondence. When voting rights are exercised by correspondence or electronic means, the methods of exercise shall be clearly indicated in the shareholders' meeting notice. Shareholders exercising their voting rights by correspondence or electronic means are deemed as attending the shareholders' meeting in person. They are, however, deemed as waiving their rights on special motions or amendments to the original proposals of that shareholders' meeting. Thus, the Company is advised not to raise special motions or make amendments to the original proposals.

A shareholder intending to exercise the voting rights by correspondence or electronic means as described in the preceding paragraph shall deliver his/her intention statement to the Company two (2) days prior to the shareholders' meeting. If duplicate statements are received, the one arrives earliest shall prevail, unless a statement is made to withdraw the previous intention statements.

Once the shareholder has exercised his/her voting right by correspondence or electronic means, if he/she intends to attend the meeting in person or by video, he/she shall withdraw the intention statement in the same way the voting right is to be exercised at least two (2) days prior to the shareholders' meeting. If the withdrawal did not arrive in time, the voting rights exercised by correspondence or electronic means shall prevail. If a shareholder has exercised his/her voting right by correspondence or electronic means and appointed a proxy via letter of authorization to attend the shareholders' meeting, the voting right exercised by the proxy shall prevail.

Unless otherwise provided in the Company's Articles of Incorporation, the adoption of resolution shall be approved by the majority of voting rights represented by the attending shareholders.

When voting commences, the Chairman or the designated personnel thereof shall announce the total number of voting rights represented by the attending shareholders by each proposal before shareholders start to cast ballots by proposals. On the same day as the conclusion of the shareholders' meeting, the voting results of the number of votes for and against and abstention shall be uploaded to the MOPS.

When there are amendments or substitutes to a proposed resolution, the Chairman shall present these together with the original proposed resolution and determine their voting order. However, if any one of them has been adopted, the others shall be deemed vetoed and no further voting is required.

The ballot supervisors and ballot counters of proposal voting shall be appointed by the Chairman, but the ballot supervisors shall be shareholders.

The ballot counting for proposal voting or election shall be publicly conducted at the venue of shareholders' meeting. The voting results shall be announced at the meeting upon completion of counting, and along with the number of voting rights totaled, be recorded in the minutes.

The company holds a video meeting of the shareholders meeting. Shareholders who participate in the video conference shall vote on various proposals and election

proposals through the video conference platform after the chairman announces the opening of the meeting, deemed a waiver.

If the shareholders' meeting is convened by video conference, it shall be a one-off vote after the chairman announces the end of voting, and the voting and election results shall be announced.

When the company holds a video assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting via video conference in accordance with the provisions of Article 6, and wish to attend the physical shareholders' meeting in person, shall cancel the registration in the same manner as the registration two days before the shareholders' meeting. Those who cancel after the deadline can only attend the shareholders' meeting via video conference.

Those who exercise their voting rights in electronic form at written meetings without revoking their declaration of intention and participate in the shareholders' meeting via video conference shall not exercise their voting right on the original proposals, propose amendments to the original proposals or exercise voting rights on amendments to the original proposals, except for temporary motions.

Article 12 When a Director election is held at the shareholders' meeting, actions shall be taken in accordance with relevant laws and regulations, and applicable election rules of the Company. The election results shall be announced at the meeting, including the list of Directors elected and the number of voting rights thereof as well as the list of losing candidates for Directors and Supervisors and their numbers of voting rights.

The election ballots referred to in the preceding paragraph shall be sealed with the ballot supervisors' signatures and kept in proper custody for at least one year. However, if litigations associated with the convention procedures or resolution process of the shareholder's meeting arise, the sealed election ballots shall be retained until the litigation is concluded.

Article 13 The resolutions of the shareholders' meeting shall be recorded in the minutes. The meeting minutes shall be affixed with the Chairman's signature and seal, and distributed to all shareholders within twenty (20) days after meeting. The preparation and distribution of the meeting minutes may be done via public announcement.

The distribution of meeting minutes referred to in the preceding paragraph to shareholders who have less than one thousand (1,000) shares of registered stocks may be done via public announcements by uploading the document at MOPS.

The meeting minutes shall accurately record the year, month, day, and location of the meeting, the name of Chairman, the resolution methods, and a summary of the discussion and the voting results thereof (including the number of voting rights). For elections of Directors and Supervisors, the number of voting rights received by each candidate shall be disclosed. The minutes shall be retained throughout the life of the Company.

With regard to the resolution methods in the preceding paragraph, if no objection is voiced by any of the shareholders when enquired by the Chairman, the wordings, "The

proposal is approved by a unanimous consent of all attending shareholders upon enquiry from the Chairman," shall be recorded. For proposals where shareholders voice objections, the adoption of ballot casting method, number of votes, and its percentage of total shall be clearly stated.

If the shareholders meeting is convened by video conference, in addition to the matters that shall be recorded in accordance with the provisions of the preceding paragraph, the minutes shall also record the start and end time of the shareholders meeting, the method of convening the meeting, the name of the chairman and the minutes, and records of events caused by natural disasters, accidents or other force majeure. The handling method and handling situation when there is an obstacle to the video conferencing platform or participation in the form of video.

The company shall hold a videoconference shareholders meeting, in addition to following the provisions of the preceding paragraph, and shall state in the minutes of the meeting that there are alternative measures provided by shareholders who have difficulties participating in video conferencing.

Article 14 On the date of shareholders' meeting, the Company shall prepare a statistical table in a prescribed format indicating the number of shares solicited and the number of shares represented by proxies, and the number of shares attended by shareholders in writing or electronically and make an express disclosure at the meeting venue. If the shareholders' meeting is held by video conference, the company shall upload the above-mentioned information to the shareholders' meeting video conference platform at least 30 minutes before the start of the meeting, and continue to disclose it until the end of the meeting.

When the company holds a video conference of the shareholders' meeting and announces the meeting, the total number of shareholders' shares present shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights of shareholders present are counted separately during the meeting.

For resolutions of the shareholders' meeting, if they meet the definition of material information under relevant laws and regulations or rules of the Taipei Exchange, the Company shall upload the information to MOPS within the prescribed period.

Article 15 Personnel at the shareholders' meeting shall wear identification cards or arm bands.

The Chairman shall direct the disciplinary officers or security guards to assist with order maintenance at the meeting venue. The disciplinary officers or security guards shall wear armbands marked "disciplinary officer" or identification cards while assisting with order maintenance at the meeting venue.

If the meeting venue is equipped with a public address system, the Chairman may stop shareholders from making a speech through other devices.

If a shareholder violates the Rules and defies the Chairman's correction, obstructs the proceedings and refuses to heed calls to stop, the Chairman may direct the disciplinary officers or security guards to escort the shareholder from the meeting.

Article 16 When the meeting is in progress, the Chairman may announce a break at his/her discretion. If force majeure events occur, the Chairman may decide to temporarily suspend the meeting and announce the time to resume the meeting depending on the situation. The shareholders' meeting may resolve to postpone or reconvene the meeting within five (5) days. In that case, Article 16.1 of the Company's Articles of Incorporation does not apply.

If the meeting venue becomes unavailable before the meeting agenda (including special motions) has been completed, another venue can be used to resume the meeting upon resolution at the shareholders' meeting.

Article 17 If the shareholders' meeting is held by video conference, the company shall immediately disclose the voting results of various proposals and election results on the shareholders' meeting video conference platform in accordance with regulations after the voting ends, and shall continue to disclose at least 15 minutes after the chairman announces the adjournment of the meeting minute.

Article 18 When the company holds a video conference shareholders meeting, the chairman and recorder shall be at the same place, and the chairman shall announce the address of the place when the meeting is held.

Article 19 If the shareholders' meeting is held by video conference, the company may provide shareholders with a simple connection test before the meeting, and provide relevant services immediately before the meeting and during the meeting to assist in dealing with technical problems in communication.

If the shareholders' meeting is convened by video conference, the chairman shall, when announcing the opening of the meeting, separately announce that there is no need to postpone or continue the meeting except for the circumstances specified in Item 24, Article 44 of the Standards for the Handling of Stock Affairs of Public Offering Companies. Before the adjournment of the meeting, due to natural disaster, accidents or other force majeure, if the video conferencing platform or participation in video conferencing is obstructed and lasts for more than 30 minutes, the date of the meeting shall be postponed or continued within five days, and the company law does not apply Article 182.

In the event of the postponement or continuation of the meeting mentioned in the preceding paragraph, shareholders, who have not registered to participate in the original shareholders' meeting by video conference, shall not participate in the postponement or continuation of the meeting.

The meeting shall be postponed or resumed according to the provisions of Paragraph 2. Shareholders who have registered to participate in the original shareholders' meeting and completed the registration through video conference, and those who have not participated in the postponed or continued meeting, the number of shares attended at the original shareholders' meeting, the voting rights exercised and Elections shall be included in the total number of shares, voting rights and voting rights of shareholders, present at the postponed or continued meeting.

When adjourning or adjourning a general meeting of shareholders in accordance with the provisions of Paragraph 2, no re-discussion and resolution is required for proposals that have completed voting and counting, and announce the voting results or the list of directors elected.

When the company convenes a video-assisted shareholders' meeting, and the video conference cannot be continued under Paragraph 2, if the total number of shares present after deducting the number of the shares attending the shareholders' meeting by video conference still reaches the statutory quota for the shareholders' meeting, the shareholders' meeting shall continue. There is no need to postpone or continue the meeting in accordance with the provisions of the second paragraph.

In the event that the meeting should continue as mentioned in the preceding paragraph, the shareholders who participate in the shareholders' meeting via video conference shall be included in the total number of shares of the shareholders present, but the total number of shares discussed at the shareholders' meeting shall be deemed as abstaining from voting.

When the company postpones or continues the meeting in accordance with the provisions of the second paragraph, it shall follow the provisions listed in Article 44-27 of the Standards for the Handling of Share Affairs of Public Offering Companies, and handle relevant matters, in accordance with the original date of the shareholders' meeting and the provisions of each article. Preliminary Work.

The second paragraph of Article 12 and Item 3 of Article 13 of the Rules for the Use of Power of Attorneys for Attending Shareholders' Meeting by Public Issue Companies, the Second Item of Article 44-5, and the Subparagraph of Article 44 of the Guidelines for the Handling of Stock Affairs of Public Issue Companies 15. During the period specified in Paragraph 1 of Article 44-17, the company shall postpone or continue the date of the shareholder meeting in accordance with the provisions of Paragraph 2.

Article 20 When the company holds a video conference shareholders meeting, it shall provide appropriate alternative measures for shareholders who have difficulty attending the meeting via video conference. Except for the circumstances stipulated in Item 6, Article 44-9, of the Standards for the Handling of Share Affairs of Companies Offering Shares to the Public, at least shareholders shall be provided with connection equipment and necessary assistance, and the period during which shareholders may apply to the company and other relevant notices shall be specified matter.

Article 21 The Rules take effect once adopted at the Company's shareholders' meeting. The same applies to any amendment made to the Rules.

If there is any discrepancy between the Rules and the Company's Articles of Incorporation, the Articles of Incorporation shall prevail.

Date of establishment of the Rules: December 30, 2010

First amendment: August 24, 2011

Second amendment: June 18, 2012

Third amendment: June 14, 2013

Fourth amendment: June 16, 2015

Fifth amendment: June 8, 2020

Sixth amendment: August 4, 2021

Seventh amendment: June 28, 2023



## [Appendix III] Rules of Election of Directors

### Redwood Group Ltd Rules for Election of Directors

- Article 1 The Rules for Election of Directors (Rules) are established in compliance with the Company's Articles of Incorporation and relevant laws and regulation for a fair, just, and open election of Directors.
- Article 2 Unless otherwise provided by the laws and regulations, the Company's Directors/Independent Director election shall be conducted in accordance with the provisions of the Rules.
- Article 3 The Company's Director/Independent Director election shall take into account the Board of Directors (the Board) composition. Board members shall possess knowledge, skills, and qualities required to carry out their duties. Abilities needed for each member are as follows:
- I. Operational judgment
  - II. Accounting and financial analysis
  - III. Business management
  - IV. Crisis management
  - V. Industrial knowledge
  - VI. International market perspective
  - VII. Leadership
  - VIII. Decision-making
- Article 4 The qualification and election of the Company's Independent Directors shall be in compliance with "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" of the Republic of China.
- Article 5 The Company's Directors/Independent Directors are elected using the cumulative voting method. Each share shall have voting rights equivalent to the number of Directors (including Independent and Non-Independent Directors) to be elected. Such voting rights can be combined to vote for one person, or divided to vote for several persons.
- Article 6 The Company shall prepare the same number of ballots as Directors (including Independent and Non-Independent Directors) to be elected and the number of voting rights shall be specified on the ballots, which would be distributed to shareholders attending the shareholders' meeting. The attendance card numbers may be used to replace the names of shareholders on the ballots.
- Article 7 The Company's Directors calculate the number of votes for Independent and Non-Independent Directors separately based on the number of seats specified in the Articles of Incorporation. Candidates who acquire more votes shall win the seats of Independent and Non-Independent Directors respectively. If more than two (2) persons acquire the same number of votes and the number of such persons exceeds the

specified available seats, such persons acquiring the same votes shall draw lots to decide who should win the seats, and the Chairman shall draw lots on behalf of the candidate who is not present.

Article 8 Before the election commences, the Company's Directors calculate the number of votes for Independent and Non-Independent Directors separately based on the number of seats specified in the Articles of Incorporation. Candidates who acquire more votes shall win the seats of Independent and Non-Independent Directors respectively. If more than two (2) persons acquire the same number of votes and the number of such persons exceeds the specified available seats, such persons acquiring the same votes shall draw lots to decide who should win the seats, and the Chairman shall draw lots on behalf of the candidate who is not present.

Article 9 Ballots are deemed void in any of the following circumstances:

- I. Ballots not prepared by parties entitled to convene the meeting.
- II. Blank ballots.
- III. Illegible writing or modification.
- IV. The candidate being entered on the ballot is inconsistent with the list of Director candidates upon verification.
- V. Ballots with written characters other than the number of votes cast for the candidate.

Article 10 The ballots shall be counted right after the completion of vote casting, and the election results, including the list of Directors/Independent Directors elected and the number of voting rights thereof, shall be announced by the Chairman at the meeting.

Article 11 The Rules take effect once adopted at the Company's shareholders' meeting. The same applies to any amendment made to the Rules.

If there is any discrepancy between the Rules and the Company's Articles of Incorporation, the Articles of Incorporation shall prevail.

Date of establishment of the Rules: December 30, 2010

First amendment: March 3, 2011

Second amendment: May 4, 2012

Third amendment: June 16, 2015

Fourth amendment: August 4, 2021

## [Appendix IV] Shareholdings of All Directors

### Redwood Group Ltd Shareholdings of All Directors

Book closure date: March 31, 2025

Title	Name	Date Elected	Shareholding at the Time of Appointment		Shareholding as of the Book Closure Date	
			Number of Shares	Percentage of Total Issued Shares (Note 1)	Number of Shares	Percentage of Total Issued Shares (Note 2)
Director	Thong-ming Soh	June 27, 2022	16,608,571	33.06%	16,558,571	32.96%
Director	Jun-wei Soh	June 27, 2022	-	-%	-	-%
Independent Director	Min-chiu Chien	June 27, 2022	-	-%	-	-%
Independent Director	Yu-chun Hsiao	June 27, 2022	-	-%	-	-%
Independent Director	Chia-shi Lo	June 27, 2022	-	-%	-	-%
Shareholding and its percentage of all Directors			16,608,571	33.06%	16,558,571	32.96%

Note 1: On the appointment date of the Company's current-term Directors (June 27, 2022), the number of common shares issued was 50,242,000 shares.

Note 2: As of the book closure date (May 29, 2025), the number of common shares issued was 50,242,500 shares.

## [Appendix V] Other Information

- I. The impact of stock dividend issuance on business performance, earnings per share, and shareholder return rate:

This is not applicable as the Company did not distribute any stock dividends this year.

- II. Information on employee bonus and remuneration to Directors and Supervisors:

(1)The company's 2024 earnings distribution has been resolved by the board of directors on March 11, 2025, and it is planned to allocate employee cash bonuses of NT\$539,000 and directors' cash remuneration of NT\$2,422,682. However, if the estimated amount of employee bonuses and directors' remuneration is different from the proposed amount. It is planned to be listed as an expense in the payment month after approval by the shareholders' meeting on May 29, 2025.

(2)There is no proposal to distribute employee stock dividends this year.

(3)Estimated earnings per share after taking into account the proposed distribution of employee bonuses and directors' remuneration; the proposed distribution of employee bonuses and director's remuneration have been estimated and accounted for. Please refer to the above for the difference between the amount to be distributed and the estimated amount. As explained in (1), since the amount of the difference is small, the earnings per share before and after the calculation are not affected.

- III. Details on shareholder proposals for this annual general meeting:

(I) Pursuant to the Company's Articles of Incorporation and "Rules of Procedure for Shareholders' Meeting," shareholders holding 1 percent or more of the Company's total number of issued shares may submit proposals, in writing, to be discussed at annual shareholders' meeting during the period announced by the Company. Each proposal is limited to one subject matter, 300 words, and matters that can be resolved at the shareholders' meeting. A proposal containing more than one subject matter, or more than 300 words, or matters that cannot be resolved at the shareholders' meeting, or one that is submitted outside the specified period, shall not be included in the agenda. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the annual general meeting and participate in the discussion of his/her proposal. Shareholders can submit proposals from March 21, 2025 to March 31, 2025. Relevant information has been released in the Market Observation Post System website in accordance with relevant laws.

(II) The Company did not receive any shareholder proposals during the aforementioned period.

