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Stock Code: 2115



LU HAI HOLDING CORP.

2025 Annual General Shareholders' Meeting Meeting Handbook

Time: 10:00 am, Tuesday, May 27, 2025

**Place: Conference Room on 1F, No.64, Shing-kong 5th Rd, Tianzhong Town,
Chang-hua County**

Convening Method: Physical shareholders meeting

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LU HAI HOLDING CORP.

Procedure for the 2025 Annual Meeting of Shareholders

- I. Opening Address
- II. Chairman Address
- III. Reports Items
- IV. Ratification Items
- V. Discussion Items
- VI. Extempore Motion
- VII. Adjournment

LU HAI HOLDING CORP.

2025 Annual General Shareholders' Meeting Agenda

Time: 10:00 am, Tuesday, May 27, 2025

Place: Conference Room on 1F, No.64, Shing-kong 5th Rd,
Tianzhong Town, Chang-hua County

Convening Method: Physical shareholders meeting

Agenda:

- I. Opening Address (report the attending number of shares)
- II. Chairman Address
- III. Reports Items
 1. 2024 Business Report.
 2. Audit Committee's review report on the 2024 Financial Statements.
 3. Report on Employees' and Directors' Compensation in 2024.
 4. Report of the amendment to the Company's "Regulations Governing Procedure for Board of Directors Meetings."
- IV. Ratification Items
 1. Ratification of the 2024 Business Report and Financial Statements.
 2. Ratification of 2024 Earnings Distribution.
- V. Discussion Items
 1. Amendment to the Company's "Articles of Incorporation."
 2. Amendment to the "Rules of Procedure for Shareholder Meetings."
 3. Amendment to the Company's "Regulations Governing the Acquisition and Disposal of Assets."
- VI. Extempore Motion
- VII. Adjournment

Reports Items

- Item 1: 2024 Business Report for review and approval.
Explanation: Please refer to Attachment 1 (page 6 to 8 of this Handbook) for the 2024 Business Report of the Company
- Item 2: Audit Committee's review report on the 2024 Financial Statements for review and approval.
Explanation: Please refer to Attachment 2 (page 9 of this Handbook) for the Audit Committee's Review Report.
- Item 3: Report on Employees' and Directors' Compensation in 2024 for review and approval.
Explanation: 1. It is planned to issue NT\$3,301,796 as Director's Compensation and NT\$3,301,796 as Employee's Compensation according to the provisions of Articles of Incorporation.
2. All Employee's Compensation will be issued in cash.
- Item 4: Amendments to the Company's "Regulations Governing Procedure for Board of Directors Meetings" for review and approval.
Explanation: According to the Financial Supervisory Commission Securities Letter No. 1120383996, the Company has revised its "Regulations Governing Procedure for Board of Directors Meetings" in compliance with the amendments to the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies." Please refer to Attachment 3 (Page 10 of this handbook) for the comparison table.

Ratification Items

(Proposed by the Board of Directors)

- Item 1: Ratification of the 2024 Business Report and Financial Statements.
Explanation: 1. 2024 Financial Statements of the Company have been audited by accountants SHAO, CHAO-PIN and HUANG, CHIEN-CHEN from Crowe (TW) CPAs, and the Audit Report has been issued, and it has been submitted together with the Business Report to Audit Committee and has been audited.
2. Please refer to Attachment 1 and Attachment 4 (pages 6 to 8 and page 11 to 20 of this Handbook) for the 2024 Business Report, Accountant's Audit Report, and Financial Statements of the Company.
- Resolution:

(Proposed by the Board of Directors)

Item 2: Ratification of 2024 Earnings Distribution.

- Explanation:
1. The Company's net income after tax for the year 2024 amounted to NT\$213,516,167. In accordance with the Company's Articles of Incorporation, 10% (NT\$21,351,617) shall be appropriated as legal reserve. Adding the unappropriated earnings of NT\$1,165,863,137 carried forward from the beginning of the year, the total distributable earnings amount to NT\$1,358,027,687. The Company proposes to distribute a cash dividend of NT\$1.50 per share, totaling NT\$156,559,745 in cash dividends to shareholders. The cash dividend will be calculated and distributed to the nearest whole NT dollar (fractions below NT\$1 will be disregarded). Any residual amounts from rounding will be recorded as other income of the Company.
 2. Regarding the distribution of cash dividend to shareholders, after it is proposed and passed in the Annual General Shareholders' Meeting, the Chairman is authorized to determine the record date of allotment of dividend, payment date and other relevant matters.
 3. In case of the Company's cash capital increase, shares buyback, transfer or cancellation of treasury share, transfer of convertible corporate bonds or exercise of employee's stock warrant etc., and thereby affects the amount of outstanding shares of the Company and causes changes in dividend payout ratio, it is planned to authorize the Chairman to make adjustments.
 4. Please refer to Attachment 5 (page 21 of this Handbook) for the 2024 Earnings Distribution Table.

Resolution:

Discussion Items

(Proposed by the Board of Directors)

Item 1: Amendment to the Company's "Articles of Incorporation."

Explanation: In accordance with regulatory requirements and practical adjustments, the revised provisions comparison table can be found in Attachment 6 (Pages 22–27 of this Handbook).

Resolution:

(Proposed by the Board of Directors)

Item 2: Amendment to the “Rules of Procedure for Shareholder Meetings.”

Explanation: According to the Financial Supervisory Commission Securities Letter No. 1120385664, the Company has revised its “Rules of Procedure for Shareholder Meetings” in compliance with the amendments to the "Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies." article 6. Please refer to Attachment 7 (Pages 28 to 30 of this Handbook) for the comparison table.

Resolution:

(Proposed by the Board of Directors)

Item 3: Amendment to the Company’s “Regulations Governing the Acquisition and Disposal of Assets.”

Explanation: In accordance with practical operations, the Company plans to revise its " Regulations Governing the Acquisition and Disposal of Assets." Please refer to Attachment 8 (Pages 31 to 38 of this Handbook) for the Comparison Table.

Resolution:

Extempore Motion

Adjournment

LU HAI HOLDING CORP

2024 Business Report

In 2024, the global economy continues to face challenges such as geopolitical risks, structural issues, and the rise of protectionism. The growth momentum and challenges vary across regions: China's economic growth has slowed more than expected due to weak domestic demand and difficulties in the real estate market. Europe faces weaker growth momentum, energy supply issues, and high inflationary pressure. In contrast, the United States has stronger economic growth momentum, driven by robust consumer spending and a recovery in the manufacturing sector. Overall, the pace of recovery varies across countries. However, with the accelerated adoption of artificial intelligence and a rebound in global trade, the global economy is expected to grow gradually. Nevertheless, the Company's revenue maintained a steady upward trend.

As the bicycle industry continued to clear inventory, the related supply chain gradually recovered, leading to a rebound in product demand and an increase in sales of bicycle valves. Benefiting from the recovery of global trade and the acquisition of new customers, sales of motorcycle and electric scooter valves grew steadily. Additionally, with the recovery of the automotive industry, heightened safety awareness, and increased customer demand, sales of truck and automobile valves also increased. In 2024, the Company's total valve sales volume rose by 15.83% compared to 2023, with operating revenue increasing from NT\$2.592 billion to NT\$3.126 billion, representing a growth of 20.59%. In order to improve production efficiency, meet customer order demands, and mitigate the impact of rising wages in Mainland China, the Company continues to enhance processes and invest in automation equipment. Despite the increase in copper procurement costs, the gross margin rose from 20.54% to 22.16%, driven by factors such as product mix optimization, price adjustments, and increased production volume. With business growth, marketing expenses have increased. The Company continues to invest in various research and patent development, ESG management, and social welfare initiatives, leading to an overall increase in operating expenses. As a result, the operating net profit margin rose from 7.31% to 10.32%. In addition, benefiting from increased subsidies, global interest rate cuts, and adjustments to borrowings, financial costs decreased. Furthermore, the depreciation of the Chinese yuan against the US dollar led to a reduction in foreign exchange losses. However, due to the recognition of relocation compensation net gains in 2023, non-operating income in 2024 significantly decreased. In summary, the Company's net profit margin increased from 6.75% to 6.83% in 2024, while earnings per share rose from NT\$1.68 to NT\$2.05.

The Company will actively enhance its technological capabilities, timely invest in automation equipment, and improve production efficiency and profitability. At the same time, the Company will focus on developing new domestic and international markets and acquiring new customers to strengthen its international competitive advantage. Adhering to a stable financial management method and upholding the management philosophy of "Quality Oriented, Integrity, Customer First, Continuous Improvement." the Company is committed to addressing future challenges.

Financial performance

Implementation achievement in the last two years:

Unit: NTD thousand

Item \ Year	Year		Percent Change	
	2024	2023		
Operating revenue	3,126,341	2,592,438	533,903	20.59%
Gross profit	692,699	532,609	160,090	30.06%
Operating profit	322,764	189,488	133,276	70.33%
Profit before income tax	346,258	325,750	20,508	6.30%
Profit for the Period	213,516	175,028	38,488	21.99%

Budget implementation

The Company has not disclosed financial forecasting to the public in 2024, hence it is not applicable.

Financial revenue and expenditure and profitability analysis

Item	Year	2024	2023
Financial structure(%)	Debt to asset ratio	33.79	36.01
	Long-term fund to property, plant and equipment	200.37	184.95
Liquidity(%)	Current ratio	301.16	245.71
	Quick ratio	218.82	187.50
	Times interest earned (times)	9.52	8.68
Profitability	Return on assets(%)	4.94	4.12
	Return on equity(%)	6.78	5.77
	Pre-tax income to paid-in capital(%)	33.17	32.77
	Net profit margin(%)	6.83	6.75
	Earnings per share (NTD)	2.05	(Note)1.68

Note. For retrospective adjustments.

Explanation: The Company filed and paid corporate income taxes related to relocation in May

2024, resulting in a decrease in current liabilities and an increase in the liquidity ratios, including the current ratio and quick ratio, improving its debt repayment capacity.

Due to profit growth, the Company's interest coverage ratio and profitability have also improved.

Research and development situation

The Company's 2024 R&D focus has steadily progressed according to the annual plan. The main areas include the development of new material technologies, process optimization, and automation equipment, aimed at improving product quality, reducing processing time, lowering raw material consumption costs, and enhancing production efficiency while achieving energy savings and carbon reduction. These efforts also aim to save labor resources.

Key achievements include: development of the fully automated visual inspection equipment for valves with rubber bases, development of the fully automated smart storage cabinet system, process development of PVR/AR series aluminum products, upgrade and simplification of rubber vulcanization and natural rubber bonding processes, the expansion of mold transfer injection processes, development of TPMS valve projects, and the development of various fully automated projects (such as spray equipment, multi-specification marking machines, high-speed copper sleeve assembly machines, and dual-station hot forging equipment for truck valves). Through product material upgrades and the advancement of automation technologies, the related projects have successfully reduced labor requirements, improved process efficiency, and effectively lowered material costs.

Looking ahead to 2025, the Company's R&D focus will continue to concentrate on the development and application of new products and processes, striving to reduce raw material costs, save labor resources, and deepen key technologies to create advanced manufacturing processes that further enhance product quality. At the same time, the Company will promote the realization of green energy production to embrace the challenges of the low-carbon trend.

The main R&D directions include: development of the clamp-in valve production process, cost reduction project for low-speed valves, development of fully automated high-efficiency feeding and grinding equipment, development of new anodizing processes, enhancement of forging efficiency for truck valve series products, and expansion of precision processes for vulcanization molds.

Chairman:
WU, CHIN-LU

General Manager:
HSU, HSIU-HUA

Accounting Officer:
CHANG, SHENG-HUNG

LU HAI HOLDING CORP.

Audit Committee's Review Report

The Board of Directors has prepared 2024 business report, financial statements and earning distribution proposal etc. of the Company; among them, the financial statements have been audited by accountants SHAO, CHAO-PIN and HUANG, CHIEN-CHEN from Crowe (TW) CPAs, and the audit report of unqualified opinion has been issued. The above business report, financial statements and earnings distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of the Company, we hereby submit this report.

To the 2025 General Shareholders' Meeting

Chairman of the Audit Committee: YEN, MEI-YING

March 11, 2025

LU HAI HOLDING CORP.

Comparison Table on Amendments to the Regulations Governing Procedure for Board of Directors Meetings

Post-Amendment (Version 10)	Pre-Amendment (Version 9)	Amendment Explanation
<p>5.10. At the time of meeting, if half of the directors are not present, the Chairman may announce a postponement of the meeting for <u>that day</u>, with a maximum of two postponements allowed. If the quorum is still not met after two postponements, the Chairman may reconvene the meeting following the procedure outlined in Section 5.1. For the purposes of the above and Section 5.15.9.2, the term "all directors" refers to those who are actually in office.</p>	<p>5.10. At the time of meeting, if half of the directors are not present, the Chairman may announce a postponement of the meeting, with a maximum of two postponements allowed. If the quorum is still not met after two postponements, the Chairman may reconvene the meeting following the procedure outlined in Section 5.1. For the purposes of the above and Section 5.15.9.2, the term "all directors" refers to those who are actually in office.</p>	<p>To avoid disputes arising from the uncertainty of extending the board meeting time, it is hereby specified that if the number of attendees is insufficient, the Chairman may announce the postponement of the meeting, with the limit being for the same day only.</p>
<p>5.11. (Items 1 to 4 omitted) <u>If the Chairman is unable to preside over the board meeting or fails to adjourn the meeting in accordance with the provisions of Item 2, the selection of their proxy shall follow the procedures outlined in Section 5.8.</u></p>	<p>5.11. (Items 1 to 4 omitted)</p>	<p>In alignment with the amendments to the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies," in the event that the Chairman is unable to preside over the meeting or fails to adjourn the meeting as required, an additional Item 5 has been added to avoid disrupting the operation of the board.</p>



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Independent Auditors' Report

To the Board of Directors and Shareholders of
LUHAI HOLDING CORPORATION

Opinion

We have audited the consolidated financial statements of Luhai Holding Corp. and its subsidiaries (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 ended December 31, 2024 and 2023, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 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 the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and auditing standards 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 Code of Professional Ethics for Certified Public Accountant of the Republic of China (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

Key audit matters are those matters that, in our professional 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.

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

1. Credit risk for notes receivable and accounts receivable

As of December 31, 2024, notes and accounts receivable of the Group accounted for 16% of the total assets. Since expected credit loss of notes and accounts receivable is estimated based on receivables that are past due and the relating loss ratio plus forward-looking adjustments, which are subject to the management's judgement. Therefore, the credit risk for notes and accounts receivable has been identified as a key audit matter.

Our key audit procedures included assessing the policies and execution relating to expected credit loss of notes and accounts receivable; asking the management whether there are any debtors with financial difficulties; obtaining aging analysis schedules of notes and accounts receivable and selecting samples for confirmation and assessing the accuracy of the aging interval of each receivable; checking whether provision of loss allowance is based on the provision matrix, and confirming the notes and accounts receivable by issuing notifications, as well as subsequent collections to verify the reasonableness of expected credit loss recognized, and assessing whether the disclosures regarding impairment of notes and accounts receivable are appropriate.

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 IFRS, IAS, IFRIC, and 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 members of 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 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 the consolidated financial statements.

As part of an audit in accordance with the auditing standards 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 Chao Pin, Shao and Chien Chen, Huang.

Crowe (TW) CPAs
Taichung, 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 auditor's 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 auditor's report and consolidated financial statements shall prevail.

LUHAI HOLDING CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

	NOTES	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6(1)	\$ 1,018,133	21	\$ 967,378	21
Financial assets at fair value through other comprehensive income - current	6(2)	15,450	-	14,607	-
Notes receivable, net	6(3)	33,916	1	40,505	1
Accounts receivable, net	6(4)	716,937	15	651,301	14
Other receivables		9,485	-	46,263	1
Current tax assets		2,874	-	14,142	-
Inventories, net	6(5)	652,162	13	528,390	11
Prepayments	6(6)	24,513	-	10,367	-
Other current assets		1,318	-	1,403	-
Total current assets		<u>2,474,788</u>	<u>50</u>	<u>2,274,356</u>	<u>48</u>
NONCURRENT ASSETS					
Financial assets at fair value through other comprehensive income - noncurrent	6(2)	620	-	764	-
Property, plant and equipment	6(7)	2,053,784	42	2,057,421	44
Right-of-use assets	6(8)	152,854	3	158,621	4
Investment property, net	6(9)	180,852	4	154,223	3
Intangible assets	6(10)	13,557	-	10,953	-
Deferred income tax assets	6(26)	23,575	-	22,052	-
Other noncurrent assets	6(11)	36,875	1	52,526	1
Total noncurrent assets		<u>2,462,117</u>	<u>50</u>	<u>2,456,560</u>	<u>52</u>
TOTAL ASSETS		<u>\$ 4,936,905</u>	<u>100</u>	<u>\$ 4,730,916</u>	<u>100</u>
LIABILITIES AND EQUITIES					
CURRENT LIABILITIES					
Short-term loans	6(12)	\$ 214,053	4	\$ 21,000	1
Contract liabilities - current	6(20)	1,732	-	2,831	-
Accounts payable		304,739	6	250,627	5
Other payables	6(13)	217,095	5	190,001	4
Current tax liabilities		29,218	1	169,633	4
Long-term loan due within a year	6(14)	50,720	1	288,177	6
Other current liabilities		4,192	-	3,375	-
Total current liabilities		<u>821,749</u>	<u>17</u>	<u>925,644</u>	<u>20</u>
NONCURRENT LIABILITIES					
Long-term loans	6(14)	819,828	17	749,547	16
Deferred income tax liabilities	6(26)	19,888	-	21,895	-
Guarantee deposits received		6,721	-	6,465	-
Total noncurrent liabilities		<u>846,437</u>	<u>17</u>	<u>777,907</u>	<u>16</u>
Total liabilities		<u>1,668,186</u>	<u>34</u>	<u>1,703,551</u>	<u>36</u>
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT					
Capital stocks	6(16)	1,043,732	21	994,030	21
Capital surplus	6(17,18)	393,999	8	443,701	9
Retained earnings	6(18)				
Legal reserve		324,368	6	306,865	7
Special reserve		385,883	8	380,863	8
Unappropriated retained earnings		1,379,379	28	1,287,789	27
Other equities	6(19)	(258,642)	(5)	(385,883)	(8)
Equity attributable to owners of parent		<u>3,268,719</u>	<u>66</u>	<u>3,027,365</u>	<u>64</u>
Total equity		<u>3,268,719</u>	<u>66</u>	<u>3,027,365</u>	<u>64</u>
TOTAL LIABILITIES AND EQUITIES		<u>\$ 4,936,905</u>	<u>100</u>	<u>\$ 4,730,916</u>	<u>100</u>

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

(Concluded)

LUHAI HOLDING CORP. AND SUBSIDIARIES

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

	NOTES	2024		2023	
		Amount	%	Amount	%
NET REVENUE	6(20)	\$ 3,126,341	100	\$ 2,592,438	100
COST OF REVENUE	6(5,21)	(2,433,642)	(78)	(2,059,829)	(79)
GROSS PROFIT		692,699	22	532,609	21
OPERATING EXPENSES	6(21),7				
Marketing expenses		(96,626)	(3)	(83,750)	(3)
General and administrative expenses		(219,752)	(7)	(220,645)	(9)
Research and development expenses		(54,213)	(2)	(38,914)	(2)
Expected credit reversal		656	-	188	-
Total operating expenses		(369,935)	(12)	(343,121)	(14)
OPERATING INCOME		322,764	10	189,488	7
NONOPERATING INCOME AND EXPENSES					
Interest income	6(22)	15,994	1	15,933	1
Other income	6(23)	73,795	2	43,488	2
Other gains and losses	6(24)	(25,671)	(1)	119,269	5
Financial costs	6(25)	(40,624)	(1)	(42,428)	(2)
Total nonoperating income and expenses		23,494	1	136,262	6
INCOME BEFORE INCOME TAX		346,258	11	325,750	13
INCOME TAX EXPENSE	6(26)	(132,742)	(4)	(150,722)	(6)
NET INCOME		213,516	7	175,028	7
OTHER COMPREHENSIVE INCOME (LOSS)	6(27)				
Items that will not be reclassified subsequently to profit or loss:					
Unrealized profit (loss) from equity instrument at fair value through other comprehensive income		(174)	-	4	-
Income tax benefit (expense) related to items that will not be reclassified subsequently	6(26)	-	-	-	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		127,425	4	(56,212)	(2)
Unrealized profit (loss) from in debt instruments at fair value through other comprehensive income		(13)	-	583	-
Income tax benefit (expense) related to items that may be reclassified subsequently	6(26)	3	-	117	-
Other comprehensive income (loss) for the year, net of income tax		127,241	4	(55,742)	(2)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 340,757	11	\$ 119,286	5
NET INCOME ATTRIBUTABLE TO:					
Shareholders of the parnet		\$ 213,516	7	\$ 175,028	7
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Shareholders of the parnet		\$ 340,757	11	\$ 119,286	5
EARNINGS PER SHARE(NT\$):	6(28)				
Basic earnings per share		\$ 2.05		\$ 1.68	
Diluted earnings per share		\$ 2.04		\$ 1.68	

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

(Concluded)

LUHAI HOLDING CORP. AND SUBSIDIARIES

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

Item	Equity Attributable to Shareholders of the Parent									
	Retained Earnings					Other Equities				
	Capital Stocks	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Profit (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Comprehensive Income	Total	
BALANCE, JANUARY 1, 2023	\$ 994,030	\$ 443,701	\$ 284,179	\$ 380,863	\$ 1,264,671	\$ (327,489)	\$ (2,652)	\$	\$ 3,037,303	
Appropriations of earnings	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	22,686	-	(22,686)	-	-	-	-	-
Cash dividends to shareholders - NT\$1.30 per share	-	-	-	-	(129,224)	-	-	-	(129,224)	-
Net income in 2023	-	-	-	-	175,028	-	-	-	175,028	-
Other comprehensive income (loss) in 2023, net of tax	-	-	-	-	-	(56,212)	470	-	(55,742)	-
BALANCE, DECEMBER 31, 2023	994,030	443,701	306,865	380,863	1,287,789	(383,701)	(2,182)		3,027,365	
Appropriations of earnings	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	17,503	-	(17,503)	-	-	-	-	-
Special reserve	-	-	-	5,020	(5,020)	-	-	-	-	-
Cash dividends to shareholders - NT\$1.00 per share	-	-	-	-	(99,403)	-	-	-	(99,403)	-
Stock dividends from capital surplus	49,702	(49,702)	-	-	-	-	-	-	-	-
Net income in 2024	-	-	-	-	213,516	-	-	-	213,516	-
Other comprehensive income (loss) in 2024, net of tax	-	-	-	-	-	127,425	(184)	-	127,241	-
BALANCE, DECEMBER 31, 2024	\$ 1,043,732	\$ 393,999	\$ 324,368	\$ 385,883	\$ 1,379,379	\$ (256,276)	\$ (2,366)	\$	\$ 3,268,719	

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

(Concluded)

LUHAI HOLDING CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 346,258	\$ 325,750
Adjustments for:		
Adjustments to reconcile profit (loss)		
Depreciation	227,803	206,293
Amortization	2,552	2,074
Expected credit reversal	(656)	(188)
Financial costs	40,624	42,428
Interest income	(15,994)	(15,933)
Dividend income	(128)	(125)
Losses (Gains) on disposal of property, plant and equipment	934	(1,314)
Impairment losses on property, plant and equipment	1,894	-
Net profit on relocaion compensation	-	(143,046)
Net changes in operating assets and liabilities		
Notes receivable	8,113	(20,972)
Accounts receivable	(42,447)	4,445
Other receivables	29,288	(9,102)
Inventories	(105,442)	(7,673)
Prepayments	(13,742)	6,859
Other current assets	103	(320)
Contract liabilities	(1,168)	(2,541)
Accounts payable	44,287	14,005
Other payables	10,600	8,454
Other current liabilities	(205)	1,291
Cash generated from operations	532,674	410,385
Interest received	24,969	11,700
Dividend received	128	125
Interest paid	(40,791)	(42,427)
Income taxes paid	(271,803)	(118,263)
Net cash provided by operating activities	245,177	261,520

(Continued)

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	\$ (80,895)	\$ (113,229)
Proceeds from disposal of Property, plant and equipment	6,828	5,410
Acquisition of intangible assets	(1,160)	(3,610)
Increase in prepaid equipment	(63,169)	(115,818)
Increase in prepaid of intangible assets	-	(4,829)
Refundable deposits (paid) refunded	(81)	5,496
Decrease in other noncurrent assets	1,830	147
Payments of relocation expenses	-	(1,003)
Net cash used in investing activities	<u>(136,647)</u>	<u>(227,436)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	192,168	-
Increase in guarantee deposits received	894	1,717
Proceeds from long-term debt	568,117	733,833
Repayment of long-term debt	(756,884)	(721,416)
Cash dividends paid	(99,403)	(129,224)
Repayments of the principal portion of lease liabilities	-	(2,285)
Net cash used in financing activities	<u>(95,108)</u>	<u>(117,375)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>37,333</u>	<u>(13,406)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	50,755	(96,697)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	967,378	1,064,075
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,018,133</u>	<u>\$ 967,378</u>

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

LU HAI HOLDING CORP.
Earnings Distribution Table
2024

Unit: NTD

Item	Amount	
Net profit after tax in 2024		213,516,167
Minus:		
Allocation of statutory surplus reserve	21,351,617	
Earnings available for distribution in 2024		192,164,550
Plus:		
Beginning undistributed earnings	1,165,863,137	
Accumulated earnings available for distribution as at the end of 2024		1,358,027,687
Distribution item:		
Shareholder Dividend— cash (Notes 1)	156,559,745	
Ending undistributed earnings		1,201,467,942

Notes 1: It is proposed to distribute cash dividends to shareholders of NTD1.50 per share, totaling NTD156,559,745 in cash dividends to shareholders this time.

Chairman:
WU, CHIN-LU

General Manager:
HSU, HSIU-HUA

Accounting Officer:
CHANG, SHENG-HUNG

LU HAI HOLDING CORP.

Comparison Table of Amendments to Articles of Incorporation

Amended and Restated Articles	Current Articles	Remarks
<p>Article 8</p> <p>(a) Subject to the provisions, if any, in the Statute, the Memorandum, the Articles, and the Applicable Public Company Rules (and to any direction that may be given by the Company in general meeting) and without any prejudice to any special rights previously conferred on the holders of existing shares, the Directors may allot, issue, grant options over or otherwise dispose of shares of the Company with or without preferred, deferred, or other rights or restrictions, whether in regard to Dividend, voting, return of capital or otherwise and to such persons, at such times and on such other terms as they think proper, and the Company shall have power to redeem or purchase any or all of such Shares and to subdivide or consolidate the said Shares of any of them and to issue all or any part of its capital whether priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issues shall otherwise expressly provide, every issue of Shares whether stated to be Ordinary,</p>	<p>Article 8</p> <p>(a) Subject to the provisions, if any, in the Statute, the Memorandum, the Articles, and the Applicable Public Company Rules (and to any direction that may be given by the Company in general meeting) and without any prejudice to any special rights previously conferred on the holders of existing shares, the Directors may allot, issue, grant options over or otherwise dispose of shares of the Company with or without preferred, deferred, or other rights or restrictions, whether in regard to Dividend, voting, return of capital or otherwise and to such persons, at such times and on such other terms as they think proper, and the Company shall have power to redeem or purchase any or all of such Shares and to subdivide or consolidate the said Shares of any of them and to issue all or any part of its capital whether priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issues shall otherwise expressly provide, every issue of Shares whether stated to be Ordinary,</p>	<p>This article is to be amended in accordance with Article 156-1 of the Company Act and the "Checklist for Protection of Shareholders' Rights and Interests in the Country of Registration of Foreign Issuers" as amended and announced by Taiwan Stock Exchange on May 2, 2024 (Tai-Cheng-Shang-2-Tze No. 1131701804).</p>

Amended and Restated Articles	Current Articles	Remarks
<p>Preference or otherwise, shall be subject to the powers on the part of the Company hereinbefore provided. PROVIDED ALWAYS that, notwithstanding any provision to the contrary contained in these Articles of Association, the Company shall be precluded from issuing bearer shares, warrants, coupons or certificates. <u>When the Company chooses to issue no par value shares, it shall not convert its shares into par value shares, and when the Company chooses to issue par value shares, it shall neither convert its shares into no par value shares.</u></p>	<p>Preference or otherwise, shall be subject to the powers on the part of the Company hereinbefore provided. PROVIDED ALWAYS that, notwithstanding any provision to the contrary contained in these Articles of Association, the Company shall be precluded from issuing bearer shares, warrants, coupons or certificates.</p>	
<p>Article 44 (b) <u>Thirty days prior to an annual general meeting, and fifteen days prior to an extraordinary general meeting, the Company shall make public the notice of general meeting, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors, and other matters on the general meeting agenda.</u> Where voting powers at a general meeting are to be exercised in writing, <u>materials mentioned above in this paragraph</u> and a printed ballot shall also be sent to the Members.</p>	<p>Article 44 (b) <u>The Company shall send materials relating to the matters to be discussed in the meeting together with the notice, in accordance with Article 44(a) above, and shall transmit the same via the Market Observation Post System.</u> Where voting powers at a general meeting are to be exercised in writing, a printed ballot shall also be sent to the Members.</p>	<p>This article is to be amended in accordance with Article 5 of the “Regulations Governing Content and Compliance Requirements for Shareholders’ Meeting Agenda Handbooks of Public Companies” as amended and announced by Taiwan Stock Exchange on May 2, 2024 (Tai-Cheng-Shang-2-Tze No. 1131701804).</p>

Amended and Restated Articles	Current Articles	Remarks
<p>Article 46</p> <p>During the period when the Shares are traded on the Designated Stock Market, the Company shall prepare a <u>general meeting handbook and shall make public the general meeting handbook and other information relevant with the general meeting</u> at least 21 days prior to the date of the relevant annual general meeting or 15 days prior to the date of the relevant extraordinary general meeting. However, in the case of the Company's paid-in capital reaching <u>NT\$2 billion</u> or more as of the last day of the most recent fiscal year, or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the shareholders' register at the time of holding of the regular shareholders' meeting in the most recent fiscal year, it shall upload the aforesaid electronic file by 30 days prior to the day on which the regular shareholders' meeting is to be held.</p>	<p>Article 46</p> <p>During the period when the Shares are traded on the Designated Stock Market, the Company shall prepare a <u>meeting handbook and supplemental materials for each general meeting, which shall be transmitted to the Market Observation Post System</u> at least 21 days prior to the date of the relevant annual general meeting or 15 days prior to the date of the relevant extraordinary general meeting. However, in the case of the Company's paid-in capital reaching <u>NT\$10 billion</u> or more as of the last day of the most recent fiscal year, or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the shareholders' register at the time of holding of the regular shareholders' meeting in the most recent fiscal year, it shall upload the aforesaid electronic file by 30 days prior to the day on which the regular shareholders' meeting is to be held.</p>	<p>This article is to be amended in accordance with the second section of Article 6 of the "Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies" as amended and announced by Taiwan Stock Exchange on May 2, 2024 (Tai-Cheng-Shang-2-Tze No. 1131701804).</p>
<p>Article 115</p> <p>(a) If the Company has pre-tax profits in the current year, the Company shall set aside not less than 1.5% of the profits as employees' compensation and</p>	<p>Article 115</p> <p>(a) If the Company has pre-tax profits in the current year, the Company shall set aside not less than 1.5% of the profits as employees' compensation and</p>	<p>These articles are to be amended to adjust the wording in accordance with the Company's practice.</p>

Amended and Restated Articles	Current Articles	Remarks
<p>not more than <u>5%</u> of the profits as Directors' remuneration.</p> <p>When the employees' compensation is distributed by cash or by issuing new shares, the employees entitled to such compensation may include employees of the Subsidiaries satisfying certain criteria as promulgated and amended by the Board of Directors from time to time. A resolution for employees' compensation or Directors' remuneration proposed to the Board of Directors of the Company shall be adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors and reported to the general meeting. However, before setting aside the profits as employees' compensation and Directors' remuneration in accordance with the ratio set forth in this paragraph, the Company's accumulated losses shall have been covered. A Director who also serves as an executive officer of the Company may receive a bonus in his capacity as a Director and a bonus in his capacity as an employee.</p> <p>(c) The Company is currently positioned in a growth and development phase. Due to the need for capital expenditure, operation</p>	<p>not more than <u>3%</u> of the profits as Directors' remuneration.</p> <p>When the employees' compensation is distributed by cash or by issuing new shares, the employees entitled to such compensation may include employees of the Subsidiaries satisfying certain criteria as promulgated and amended by the Board of Directors from time to time. A resolution for employees' compensation or Directors' remuneration proposed to the Board of Directors of the Company shall be adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors and reported to the general meeting. However, before setting aside the profits as employees' compensation and Directors' remuneration in accordance with the ratio set forth in this paragraph, the Company's accumulated losses shall have been covered. A Director who also serves as an executive officer of the Company may receive a bonus in his capacity as a Director and a bonus in his capacity as an employee.</p> <p>(c) The Company is currently positioned in a growth and development phase. Due to the need for capital expenditure, operation</p>	

Amended and Restated Articles	Current Articles	Remarks
<p>expansion and an integrated financial planned in order to maintain sustainable growth, any balance left over under Article 115(a) and/or (b) may be distributed as Dividends (including cash dividends or stock dividends) or bonuses in accordance with the Statute and the Applicable Public Company Rules, among which the Dividends to be distributed shall not be lower than 10% of the balance left over <u>after appropriation of loss and allocation for Reserve in that year</u> and the cash Dividends shall not be lower than 10% of the total amount of Dividends distributed to the Members.</p>	<p>expansion and an integrated financial planned in order to maintain sustainable growth, any balance left over under Article 115(a) and/or (b) may be distributed as Dividends (including cash dividends or stock dividends) or bonuses in accordance with the Statute and the Applicable Public Company Rules, among which the Dividends to be distributed shall not be lower than 10% of the balance left over and the cash Dividends shall not be lower than 10% of the total amount of Dividends distributed to the Members.</p>	
<p>Article 120 Subject to the Statute and the Articles, the Company in general meeting may from time to time declare Dividends and/or bonuses in any currency to be paid to the Members. For so long as the Shares are registered in the Designated Stock Market, Dividend or bonuses may only be declared in TWD.</p>	<p>Article 120 Subject to the Statute and the Articles, the Company in general meeting may from time to time declare Dividends and/or bonuses in any currency to be paid to the Members <u>but no Dividends or bonus shall be declared in excess of the amount recommended by the Board.</u> For so long as the Shares are registered in the Designated Stock Market, Dividend or bonuses may only be declared in TWD.</p>	<p>This article is to be amended to adjust the wording in accordance with the Company’s practice.</p>
<p>Article 142 (b) Subject to the laws of Cayman Islands, Members continuously holding 1% or more of the total issued Shares</p>	<p>Article 142 (b) Subject to the laws of Cayman Islands, Members continuously holding 1% or more of the total issued Shares</p>	<p>This article is to be amended in accordance with the “Regulations Governing Content and Compliance</p>

Amended and Restated Articles	Current Articles	Remarks
<p>for six months or longer may request in writing <u>the Audit Committee</u> to file a litigation against any Director or Directors on behalf the Company, and the Taiwan Taipei District Court, R.O.C., may be the court of first instance for such matter.</p> <p>If <u>the Audit Committee</u> who has been requested by such Members in accordance with the previous paragraph fails to file such litigation within thirty (30) days after receiving the request by such Members, subject to the laws of Cayman, such Members may file such litigation on behalf of the Company, and the Taiwan Taipei District Court, R.O.C. may be the court of the first instance for such matter.</p>	<p>for six months or longer may request in writing <u>any Independent Director of the Audit Committee</u> to file a litigation against any Director or Directors on behalf the Company, and the Taiwan Taipei District Court, R.O.C., may be the court of first instance for such matter.</p> <p>If <u>the Independent Director of the Audit Committee</u> who has been requested by such Members in accordance with the previous paragraph fails to file such litigation within thirty (30) days after receiving the request by such Members, subject to the laws of Cayman, such Members may file such litigation on behalf of the Company, and the Taiwan Taipei District Court, R.O.C. may be the court of the first instance for such matter.</p> <p><u>Besides the situations that the Board of Directors does not or is unable to convene a general meeting, the Independent Director of Audit Committee may, for the benefit of the Company, also call a general meeting when it is deemed necessary.</u></p>	<p>Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies" as amended and announced by Taiwan Stock Exchange on May 2, 2024 (Tai-Cheng-Shang-2-Tze No. 1131701804), and Article 5 of the "Regulations Governing the Exercise of Power by Audit Committee of Public Companies".</p>

LU HAI HOLDING CORP.

Comparison Table on Amendment to the Rules of Procedure for Shareholder Meetings

Post-Amendment (Version 10)	Pre-Amendment (Version 9)	Amendment Explanation
<p>5.4.2 The convening of the general shareholders' meeting shall be notified to all shareholders by sending a shareholders' meeting notice at least 30 days in advance. The convening of an extraordinary shareholders' meeting shall be notified to all shareholders by sending a meeting notice at least 15 days in advance. For shareholders holding fewer than 1,000 shares, the notice of the annual or extraordinary shareholders' meeting may be provided through an announcement on the Market Observation Post System instead of sending a physical notice. The Company shall, at least 30 days before the general shareholders' meeting or 15 days before the extraordinary shareholders' meeting, prepare electronic files of the shareholders' meeting notice, proxy form, relevant proposals for approval, discussion items, and the reasons and explanatory materials for matters such as the</p>	<p>5.4.2 The convening of the general shareholders' meeting shall be notified to all shareholders by sending a shareholders' meeting notice at least 30 days in advance. The convening of an extraordinary shareholders' meeting shall be notified to all shareholders by sending a meeting notice at least 15 days in advance. For shareholders holding fewer than 1,000 shares, the notice of the annual or extraordinary shareholders' meeting may be provided through an announcement on the Market Observation Post System instead of sending a physical notice. The Company shall, at least 30 days before the general shareholders' meeting or 15 days before the extraordinary shareholders' meeting, prepare electronic files of the shareholders' meeting notice, proxy form, relevant proposals for approval, discussion items, and the reasons and explanatory materials for matters such as the</p>	<p>According to Article 6 of the amended "Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies," the electronic files of the shareholders' meeting handbook and supplementary materials must be transmitted to the Market Observation Post System at least 30 days before the meeting, subject to the condition that the paid-in capital of the Company meets the specified threshold.</p>

Post-Amendment (Version 10)	Pre-Amendment (Version 9)	Amendment Explanation
<p>appointment or dismissal of directors, and transmit them to the Market Observation Post System. The Company shall, at least 21 days before the general shareholders' meeting or 15 days before the extraordinary shareholders' meeting, prepare electronic files of the shareholders' meeting handbook and supplementary materials and transmit them to the Market Observation Post System. However, if the Company's paid-in capital reaches NTD <u>2 billion</u> or more as of the end of the most recent fiscal year, or if the combined foreign and Mainland Chinese ownership ratio recorded in the shareholder register for the general shareholders' meeting of the most recent fiscal year exceeds 30%, the electronic files mentioned above must be transmitted at least 30 days before the general shareholders' meeting. At least 15 days before the shareholders' meeting, the Company shall prepare the meeting handbook and supplementary materials for the meeting, making them available for shareholders to review at any time. These</p>	<p>appointment or dismissal of directors, and transmit them to the Market Observation Post System. The Company shall, at least 21 days before the general shareholders' meeting or 15 days before the extraordinary shareholders' meeting, prepare electronic files of the shareholders' meeting handbook and supplementary materials and transmit them to the Market Observation Post System. However, if the Company's paid-in capital reaches NT\$100 billion or more as of the end of the most recent fiscal year, or if the combined foreign and Mainland Chinese ownership ratio recorded in the shareholder register for the general shareholders' meeting of the most recent fiscal year exceeds 30%, the electronic files mentioned above must be transmitted at least 30 days before the general shareholders' meeting. At least 15 days before the shareholders' meeting, the Company shall prepare the meeting handbook and supplementary materials for the meeting, making them available for shareholders to</p>	

Post-Amendment (Version 10)	Pre-Amendment (Version 9)	Amendment Explanation
<p>materials shall be displayed at the Company’s office and at the shareholder services agency appointed by the Company.</p> <p>The meeting handbook and supplementary materials shall be provided to shareholders for review on the day of the shareholders' meeting as follows:</p> <p>(1) For in-person shareholders' meetings, the materials shall be distributed at the meeting site.</p> <p>(2) For hybrid shareholders' meetings (with video assistance), the materials shall be distributed at the meeting site and transmitted as electronic files to the video conferencing platform.</p> <p>(3) For virtual shareholders' meetings, the materials shall be transmitted as electronic files to the video conferencing platform.</p> <p>"Video conferencing" refers to both hybrid shareholders' meetings and fully virtual shareholders' meetings.</p>	<p>review at any time. These materials shall be displayed at the Company’s office and at the shareholder services agency appointed by the Company.</p> <p>The meeting handbook and supplementary materials shall be provided to shareholders for review on the day of the shareholders' meeting as follows:</p> <p>(1) For in-person shareholders' meetings, the materials shall be distributed at the meeting site.</p> <p>(2) For hybrid shareholders' meetings (with video assistance), the materials shall be distributed at the meeting site and transmitted as electronic files to the video conferencing platform.</p> <p>(3) For virtual shareholders' meetings, the materials shall be transmitted as electronic files to the video conferencing platform.</p> <p>"Video conferencing" refers to both hybrid shareholders' meetings and fully virtual shareholders' meetings.</p>	

LU HAI HOLDING CORP.
**Comparison Table on Amendment to the Regulations Governing the
Acquisition and Disposal of Assets**

Post-Amendment (Version 11)	Pre-Amendment (Version 10)	Amendment Explanation
<p>5.1 Procedures for Acquiring or Disposing of Real Estate, Equipment, or Assets Related to Their Usage Rights</p> <p>5.1.1 Procedure for Determining Authorization Limits:</p> <p>5.1.1.1 The procedure for determining authorization limits for the acquisition or disposal of real estate or its usage rights involves considering factors such as the announced market value, appraised value, and the actual transaction prices of nearby properties to decide the transaction terms and price. An analysis report should be prepared and submitted to the General Manager. For amounts of <u>NT\$ 3 million</u> (inclusive) or below, approval must be obtained from the Executive VP; for amounts between <u>NT\$3 million and NT\$5 million (inclusive)</u>, approval must be obtained from the General Manager; for</p>	<p>5.1 Procedures for Acquiring or Disposing of Real Estate, Equipment, or Assets Related to Their Usage Rights</p> <p>5.1.1 Procedure for Determining Authorization Limits:</p> <p>5.1.1.1 The procedure for determining authorization limits for the acquisition or disposal of real estate or its usage rights involves considering factors such as the announced market value, appraised value, and the actual transaction prices of nearby properties to decide the transaction terms and price. An analysis report should be prepared and submitted to the General Manager. For amounts of <u>NT\$10 million</u> (inclusive) or below, approval must be obtained from the Executive VP; for amounts of <u>NT\$15 million (inclusive) or below</u>, approval must be obtained from the General Manager; for amounts between</p>	<p>I. In accordance with practical operational needs, the authorization limits have been revised as per the approval of the updated authorization table by the Board of Directors on November 4, 2024.</p>

Post-Amendment (Version 11)	Pre-Amendment (Version 10)	Amendment Explanation
<p>amounts between <u>NT\$5 million and NT\$10 million (inclusive)</u>, approval must be obtained from the Chairman; and for amounts exceeding <u>NT\$10 million</u>, approval must be obtained from the Chairman, followed by submission to the Board of Directors for approval. The acquisition or disposal of real estate or its usage rights from related parties, regardless of the amount, must be approved by the Board of Directors before proceeding.</p> <p>5.1.1.2 The acquisition or disposal of equipment or its usage rights should be conducted through one of the following methods: inquiry, price comparison, negotiation, or tendering. For amounts of <u>NT\$3 million (inclusive)</u> or below, approval must be obtained from the Executive VP; for amounts between <u>NT\$3</u></p>	<p><u>NT\$20 million (inclusive)</u> or below, approval must be obtained from the Chairman; and for amounts exceeding <u>NT\$20 million</u>, approval must be obtained from the Chairman, followed by submission to the Board of Directors for approval. The acquisition or disposal of real estate or its usage rights from related parties, regardless of the amount, must be approved by the Board of Directors before proceeding.</p> <p>5.1.1.2 The acquisition or disposal of equipment or its usage rights should be conducted through one of the following methods: inquiry, price comparison, negotiation, or tendering. For amounts of <u>NT\$10 million (inclusive)</u> or below, approval must be obtained from the Executive VP; for amounts of <u>NT\$15 million (inclusive)</u> or</p>	

Post-Amendment (Version 11)	Pre-Amendment (Version 10)	Amendment Explanation
<p><u>million and NT\$5 million (inclusive), approval must be obtained from the General Manager; for amounts between <u>NT\$5 million and NT\$10 million (inclusive), approval must be obtained from the Chairman; and for amounts exceeding <u>NT\$10 million, approval must be obtained from the Chairman, followed by submission to the Board of Directors for approval.</u></u></u></p> <p>5.1.1.3 If the acquisition or disposal of assets by the Company requires approval by the Board of Directors according to the established procedures or other legal regulations, and if any director expresses dissent with a record or written statement, the Company shall submit the dissenting director's information to the Audit Committee for review. If the Company has appointed independent directors, when submitting an acquisition or disposal</p>	<p><u>below, approval must be obtained from the General Manager; for amounts of <u>NT\$20 million (inclusive) or below, approval must be obtained from the Chairman; and for amounts exceeding <u>NT\$20 million, approval must be obtained from the Chairman, followed by submission to the Board of Directors for approval.</u></u></u></p> <p>5.1.1.3 If the acquisition or disposal of assets by the Company requires approval by the Board of Directors according to the established procedures or other legal regulations, and if any director expresses dissent with a record or written statement, the Company shall submit the dissenting director's information to the Audit Committee for review. If the Company has appointed independent directors, when submitting an acquisition or disposal of assets for discussion by the Board of Directors, the opinions</p>	

Post-Amendment (Version 11)	Pre-Amendment (Version 10)	Amendment Explanation
<p>of assets for discussion by the Board of Directors, the opinions of the independent directors should be fully considered. If any independent director expresses dissent or reservations, such opinions should be clearly documented in the minutes of the Board meeting.</p>	<p>of the independent directors should be fully considered. If any independent director expresses dissent or reservations, such opinions should be clearly documented in the minutes of the Board meeting.</p>	
<p>5.2 Procedures for Acquiring or Disposing of Securities Investments</p> <p>5.2.1 Procedures for Determining Transaction Terms and Authorization Limits</p> <p>5.2.1.1 For the purchase and sale of securities on the centralized trading market or at securities firms' business locations, the responsible department shall decide based on market conditions. For amounts of <u>NT\$3 million (inclusive)</u> or below, approval must be obtained from the Executive VP; for amounts between <u>NT\$3 million and NT\$5 million (inclusive)</u>, approval must be obtained from the</p>	<p>5.2 Procedures for Acquiring or Disposing of Securities Investments</p> <p>5.2.1 Procedures for Determining Transaction Terms and Authorization Limits</p> <p>5.2.1.1 For the purchase and sale of securities on the centralized trading market or at securities firms' business locations, the responsible department shall decide based on market conditions. For amounts of <u>NT\$10 million (inclusive)</u> or below, approval must be obtained from the Executive VP; for amounts of <u>NT\$15 million (inclusive) or below</u>, approval must be obtained from the General Manager; for</p>	<p>I. The authorization limits have been revised in accordance with practical operational needs.</p> <p>II. Duplicate symbols have been removed.</p>

Post-Amendment (Version 11)	Pre-Amendment (Version 10)	Amendment Explanation
<p>General Manager; for amounts between <u>NT\$5 million and NT\$10 million (inclusive)</u>, approval must be obtained from the Chairman; and for amounts exceeding <u>NT\$10 million</u>, approval must be obtained from the Chairman, followed by submission to the Board of Directors for approval.</p> <p>5.2.1.2 For the purchase and sale of securities outside the centralized trading market or securities firms' business locations, the most recent financial statements of the target company, audited or reviewed by an accountant, should be obtained as a reference for evaluating the transaction price. Factors such as net asset value per share, profitability, and future development potential should be considered. For amounts of <u>NT\$3 million (inclusive)</u> or below, approval must be obtained from the Executive VP; for</p>	<p>amounts of <u>NT\$20 million (inclusive)</u> or below, approval must be obtained from the Chairman; and for amounts exceeding <u>NT\$20 million</u>, approval must be obtained from the Chairman, followed by submission to the Board of Directors for approval.</p> <p>5.2.1.2 For the purchase and sale of securities outside the centralized trading market or securities firms' business locations, the most recent financial statements of the target company, audited or reviewed by an accountant, should be obtained as a reference for evaluating the transaction price. Factors such as net asset value per share, profitability, and future development potential should be considered. For amounts of <u>NT\$10 million (inclusive)</u> or below, approval must be obtained from the Executive VP; for amounts of <u>NT\$15 million (inclusive)</u> or</p>	

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<p>amounts between <u>NT\$3 million and NT\$5 million (inclusive)</u>, approval must be obtained from the General Manager; for amounts between <u>NT\$5 million and NT\$10 million (inclusive)</u>, approval must be obtained from the Chairman; and for amounts exceeding <u>NT\$10 million</u>, approval must be obtained from the Chairman, followed by submission to the Board of Directors for approval.</p> <p>5.2.1.3 If the acquisition or disposal of assets by the Company requires approval by the Board of Directors according to the established procedures or other legal regulations, and if any director expresses dissent with a record or written statement, the Company shall submit the dissenting director's information to the Audit Committee for review. If the Company has appointed independent directors, when submitting an</p>	<p><u>below</u>, approval must be obtained from the General Manager; for amounts of <u>NT\$20 million (inclusive) or below</u>, approval must be obtained from the Chairman; and for amounts exceeding <u>NT\$20 million</u>, approval must be obtained from the Chairman, followed by submission to the Board of Directors for approval.</p> <p>5.2.1.3 If the acquisition or disposal of assets by the Company requires approval by the Board of Directors according to the established procedures or other legal regulations, and if any director expresses dissent with a record or written statement, the Company shall submit the dissenting director's information to the Audit Committee for review. If the Company has appointed independent directors, when submitting an acquisition or disposal of assets for discussion by the Board of Directors, the opinions</p>	

Post-Amendment (Version 11)	Pre-Amendment (Version 10)	Amendment Explanation
<p>acquisition or disposal of assets for discussion by the Board of Directors, the opinions of the independent directors should be fully considered. If any independent director expresses dissent or reservations, such opinions should be clearly documented in the minutes of the Board meeting.</p>	<p>of the independent directors should be fully considered. If any independent director expresses dissent or reservations, such opinions should be clearly documented in the minutes of the Board meeting.</p>	
<p>5.3 Procedures for Acquiring or Disposing of Intangible Assets, Their Usage Rights, or Membership Certificate Investments</p> <p>If the Company acquires or disposes of intangible assets, their usage rights, or membership certificate transactions with an amount reaching 20% of the Company's paid-in capital or NT\$300 million or more, except for transactions with domestic government agencies in Taiwan, an accountant must be consulted to provide an opinion on the reasonableness of the transaction price before the occurrence of the transaction. For amounts of <u>NT\$3 million</u> (inclusive) or below, approval must be obtained from the Executive VP; for amounts</p>	<p>5.3 Procedures for Acquiring or Disposing of Intangible Assets, Their Usage Rights, or Membership Certificate Investments</p> <p>If the Company acquires or disposes of intangible assets, their usage rights, or membership certificate transactions with an amount reaching 20% of the Company's paid-in capital or NT\$300 million or more, except for transactions with domestic government agencies in Taiwan, an accountant must be consulted to provide an opinion on the reasonableness of the transaction price before the occurrence of the transaction. For amounts of <u>NT\$10 million</u> (inclusive) or below, approval must be obtained from the Executive VP; for</p>	<p>I. The authorization limits have been revised in accordance with practical operational needs.</p>

Post-Amendment (Version 11)	Pre-Amendment (Version 10)	Amendment Explanation
<p>between <u>NT\$3 million and NT\$5 million (inclusive)</u>, approval must be obtained from the General Manager; for amounts between <u>NT\$5 million and NT\$10 million (inclusive)</u>, approval must be obtained from the Chairman; and for amounts exceeding <u>NT\$10 million</u>, approval must be obtained from the Chairman, followed by submission to the Board of Directors for approval.</p>	<p>amounts of <u>NT\$15 million (inclusive) or below</u>, approval must be obtained from the General Manager; for amounts of <u>NT\$20 million (inclusive) or below</u>, approval must be obtained from the Chairman; and for amounts exceeding <u>NT\$20 million</u>, approval must be obtained from the Chairman, followed by submission to the Board of Directors for approval.</p>	
<p>5.4 Procedures for Handling Related Party Transactions The Company, between itself and its parent company, subsidiaries, or subsidiaries directly or indirectly holding 100% of the issued shares or total capital, may acquire or dispose of equipment or their usage rights for business purposes, as well as acquire or dispose of real estate usage rights for business purposes. The Board of Directors may authorize the Chairman to make decisions up to <u>NT\$15 million</u> in advance, with subsequent reporting to the most recent Board of Directors for ratification.</p>	<p>5.4 Procedures for Handling Related Party Transactions The Company, between itself and its parent company, subsidiaries, or subsidiaries directly or indirectly holding 100% of the issued shares or total capital, may acquire or dispose of equipment or their usage rights for business purposes, as well as acquire or dispose of real estate usage rights for business purposes. The Board of Directors may authorize the Chairman to make decisions up to <u>NT\$20 million</u> in advance, with subsequent reporting to the most recent Board of Directors for ratification.</p>	<p>I. The authorization limits have been revised in accordance with practical operational needs.</p>

LU HAI HOLDING CORP.

Regulations Governing Procedure for Board of Directors Meetings (Pre-Amendment)

1. Purpose: To establish a sound governance system for the Company's Board of Directors, strengthen its supervisory function, and enhance management functions, this procedure is formulated in accordance with Article 2 of Taiwan's "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" and Article 26-3, Paragraph 8 of the "Securities and Exchange Act" for compliance.
2. Scope: This procedure applies to the Board of Directors of the Company, including the main agenda items, operational procedures, matters to be recorded in the meeting minutes, announcements, and other matters that must be followed, in accordance with the provisions of this procedure.
3. Definition: None.
4. Responsible Unit: The unit responsible for handling the Board of Directors' affairs is the General Manager's Office.
5. Operational Content:
 - 5.1 The Board of Directors of the Company should meet at least once per quarter.

The notice of the Board meeting should clearly state the reason for the meeting and be sent to each director at least seven days in advance. However, in cases of urgent matters, the meeting may be convened at any time. The notice of the meeting, if agreed upon by the recipients, may be sent electronically.

5.5. The matters specified in each subparagraph of the first paragraph should be listed in the reason for convening the meeting and may not be raised as ad hoc motions.
 - 5.2 The location and time of the Board of Directors meeting should be held at a suitable place and time for the meeting. It should be at the location and office hours of the Company's Taiwan branch, or at a place and time that is convenient for the directors to attend and suitable for holding the board meeting.
 - 5.3 The meeting unit should prepare the agenda for the board meeting and provide sufficient meeting materials, which should be sent along with the meeting notice.
 - 5.4 If a director believes the meeting materials are insufficient, they may request the meeting unit to provide additional information. If a director feels that the proposal information is inadequate, they may propose to postpone the discussion after a board resolution.

The agenda for the Company's regular board meetings should include at least the following items:

- 5.4.1 Management Presentations (Reports on Company Affairs)
 - 5.4.1.1 Minutes of the previous meeting and the status of their implementation.
 - 5.4.1.2 Key financial and business reports.
 - 5.4.1.3 Internal audit business report.
 - 5.4.1.4 Other important reporting matters.
- 5.4.2 Items for Discussion:
 - 5.4.2.1 Discussion items reserved from the previous meeting.
 - 5.4.2.2 Discussion items for the current meeting.
- 5.4.3 Extempore Motions.
- 5.5 The Company should submit the following matters for discussion by the Board of Directors:
 - 5.5.1 The Company's operational plan.
 - 5.5.2 The annual financial report signed or stamped by the Chairman, managers, and accounting officer, as well as the first, second, and third-quarter financial reports that require audit (or review) by an accountant.
 - 5.5.3 The establishment or revision of the internal control system in accordance with Article 14-1 of the Taiwan Securities and Exchange Act, as well as the evaluation of the effectiveness of the internal control system.
 - 5.5.4 The establishment or revision of the procedures for handling significant financial transactions, such as acquiring or disposing of assets, engaging in derivative transactions, lending funds to others, endorsing or providing guarantees for others, in accordance with Article 36-1 of the Taiwan Securities and Exchange Act.
 - 5.5.5 The fundraising, issuance, or private placement of equity-based securities.
 - 5.5.6 The appointment or dismissal of the Chairman.
 - 5.5.7 The appointment or dismissal of the financial, accounting, or internal audit officers.
 - 5.5.8 Donations to related parties or significant donations to non-related parties. However, donations made for emergency relief due to major natural disasters, which are of a charitable nature, may be submitted for ratification at the next board meeting.

The term "related party" as referred to above refers to related parties as defined by the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" refers

to a single donation amount or cumulative donations to the same recipient within a year reaching NT\$100 million or more, or exceeding 1% of the net revenue from operations as per the most recent annual financial report audited by an accountant, or 5% of the paid-in capital. The term "within one year" refers to the period starting from the date of the current board meeting, looking backward for one year. Any portions that have already been approved by the Board of Directors in previous meetings do not need to be counted again.

- 5.5.9 According to Article 14-3 of the Taiwan Securities and Exchange Act, as well as other matters that are required to be resolved by the shareholders' meeting or the Board of Directors in accordance with laws, regulations, or the Company's bylaws, or as specified by competent authorities.

If the Company has independent directors, at least one independent director should attend the board meeting in person. For matters listed in 5.5 that require a board resolution, all independent directors should be present at the board meeting. If an independent director is unable to attend in person, they should delegate another independent director to attend on their behalf. If an independent director has opposing or reserved opinions, these should be recorded in the board meeting minutes. If an independent director is unable to attend the board meeting in person to express their opposing or reserved opinions, they should provide a written opinion in advance, unless there is a legitimate reason, and this should also be included in the board meeting minutes.

- 5.6 Except for the matters that should be discussed at the board meeting as stipulated in 5.5, any matters where the Board of Directors is authorized to exercise its powers according to laws, regulations, or the Company's Articles of Incorporation should clearly specify the authorization levels, content, or specific matters involved.

During the recess of the Board of Directors, the board may authorize the Chairman to exercise the powers of the board in accordance with laws, regulations, or the Company's Articles of Incorporation. The content or matters of such authorization are as follows:

- 5.6.1 Convene board meetings and execute its resolutions.
 - 5.6.2 Review and approve the budget.
 - 5.6.3 Review and approve important contracts.
 - 5.6.4 Approve loans.
 - 5.6.5 Authorize the Chairman to approve matters in accordance with the Company's authorization limits or other management regulations.
- 5.7 When holding a board meeting, a sign-in sheet should be provided for attending directors to sign in for reference.

Directors should attend board meetings in person. If they are unable to attend in person, they may delegate another director to attend on their behalf in accordance with the Company's bylaws. If a director participates via video conference, it will be considered as attending in person.

When a director delegates another director to attend the board meeting on their behalf, they must issue a proxy letter for each meeting and specify the scope of authorization, including the reasons for convening the meeting.

In the second item, the proxy is limited to being entrusted by only one director.

5.8 The Chairman of the board is the ex-officio presiding officer of the board meetings. If the Chairman is on leave or unable to exercise their duties, the Chairman shall designate a director to act as their proxy. If the Chairman fails to designate a proxy or if the designated proxy is unable to exercise their duties, the other attending directors shall mutually elect one director to act as the proxy.

5.9 The Company may invite personnel from relevant departments or subsidiaries to attend the board meeting, depending on the content of the agenda.

If necessary, the Company may also invite accountants, lawyers, or other professionals to attend the meeting and provide explanations. However, they should leave the meeting during discussions and voting.

5.10 At the time of meeting, if half of the directors are not present, the Chairman may announce a postponement of the meeting, with a maximum of two postponements allowed. If the quorum is still not met after two postponements, the Chairman may reconvene the meeting following the procedure outlined in Section 5.1.

For the purposes of the above and Section 5.15.9.2, the term "all directors" refers to those who are actually in office.

5.11 The Board of Directors should proceed with the meeting according to the agenda outlined in the meeting notice. However, the agenda may be changed with the approval of more than half of the attending directors.

The Chairman shall not adjourn the meeting without the approval of more than half of the attending directors.

If during the board meeting, the number of directors present does not reach more than half of the total attending directors, a proposal from the attending directors can prompt the Chairman to announce a suspension of the meeting, and the provisions of 5.10 shall apply accordingly.

During the meeting, the Chairman may decide to announce a break or a time for discussion at their discretion.

5.12 When the Chairman believes that the discussion of an agenda item at the board meeting has reached a level suitable for a vote, they may announce the cessation of the discussion and proceed to the vote.

When voting on an agenda item at the board meeting, if the Chairman consults all attending directors and there are no objections, the item is considered approved. If there are objections after the Chairman consults the attending directors, the item should be put to a vote.

The voting method shall be selected by the Chairman according to the following provisions, but if there are objections from the attendees, the Chairman shall seek the majority opinion to decide:

5.12.1 Voting by raising hands or using voting devices.

5.12.2 Voting by calling names.

5.12.3 Voting by ballots.

5.12.4 Voting method selected by the Company.

The term "all attending directors" in the previous two items does not include directors who are not entitled to exercise their voting rights as per the provisions of 5.14.

- 5.13 The resolutions of the Company's Board of Directors, unless otherwise specified by the Taiwan Securities and Exchange Act, the Company Act, or the Company's Articles of Incorporation, shall require the presence of a majority of the directors, and shall be passed with the consent of a majority of the attending directors.

When there are amendments or substitute proposals for the same agenda item, the Chairman shall determine the order of voting, along with the original proposal. However, if one of the proposals has already been approved, the other proposals will be considered rejected, and no further voting is required.

If it is necessary to appoint vote poll-watchers and vote counters for the voting of a proposal, they shall be designated by the Chairman, but the poll-watchers must be directors.

The result of the vote shall be reported on the spot and recorded.

- 5.14 A director who has a personal interest or a conflict of interest with the Company, either directly or through a representative, shall disclose the material aspects of the conflict of interest at the meeting. If the interest is detrimental to the Company's benefits, the director shall not participate in the discussion or vote on the matter, and must recuse themselves from both the discussion and vote. Additionally, they may not delegate their voting rights to another director.

The spouse, blood relatives within the second degree, or any company with a controlling relationship to the director, who have a vested interest in the matters discussed in the meeting, shall be regarded as having a personal interest in the matter, just as the director would for that particular matter.

The resolutions of the Board of Directors, regarding those directors who are not allowed to exercise their voting rights according to the previous two items, shall be

handled in accordance with Article 206, Paragraph 4 of the Taiwan Company Act, applying the provisions of Article 180, Paragraph 2.

5.15 The minutes of the board meeting should be prepared and should include the following details:

5.15.1 The session (or year) of the meeting and the time and location.

5.15.2 The name of the Chairman.

5.15.3 The attendance status of the directors, including the names and number of those who attended, were absent, or took leave.

5.15.4 The names and titles of those who were invited to attend the meeting.

5.15.5 The name of the recorder.

5.15.6 Matters reported on during the meeting.

5.15.7 Items for Discussion: Resolutions and outcomes of each agenda item, summaries of statements by directors, experts, and other participants, names of directors with a conflict of interest as per Article 5.14, an explanation of the nature of their conflict, reasons for whether they should or should not recuse themselves, actual recusal circumstances, any recorded or written statements of opposition or reservation, and written opinions provided by independent directors as per Article 5.5, Paragraph 2.

5.15.8 Extempore Motions: Proposer's name, resolution method and outcome of the motion, summaries of statements by directors, experts, and other participants, names of directors with a conflict of interest as per Article 5.14, an explanation of the nature of their conflict, reasons for whether they should or should not recuse themselves, actual recusal circumstances, and any recorded or written statements of opposition or reservation.

5.15.9 Other matters that should be recorded.

Board resolutions that meet any of the following conditions must be recorded in the meeting minutes and disclosed on the information reporting website designated by the competent authority in Taiwan within two days from the date of the board meeting:

5.15.9.1 Independent directors have expressed dissenting or reserving opinions, and such opinions are recorded or accompanied by written statements.

5.15.9.2 In companies with an audit committee, resolutions passed by more than two-thirds of the directors without prior approval by the audit committee.

The attendance sign-in sheet for the board meeting is considered a part of the meeting minutes and must be properly preserved for the duration of the company's existence.

Meeting minutes must be signed or sealed by the chairperson and the recorder and distributed to all directors within 20 days after the meeting. The minutes should be kept as part of the company's important records for the duration of the company's existence.

The preparation and distribution of meeting minutes may be done electronically.

- 5.16 The company must record or videotape the entire board meeting and retain the recording for at least five years. The recording may be stored electronically.

If a lawsuit is filed regarding board resolutions before the retention period expires, the relevant recording or video evidence should be kept until the lawsuit is concluded.

In board meetings held via video conference, the video and audio materials will be considered part of the meeting minutes and should be preserved for the duration of the company's existence.

- 5.17 These meeting rules must be approved by the Board of Directors and reported at the most recent shareholders' meeting. The same applies to any amendments.

6. Attachments: None.

The Companies Law (Revised)

Company Limited by Shares

**10th Amended and Restated Memorandum of Association
of
LU HAI HOLDING CORP. 六暉控股股份有限公司**

Adopted by a special resolution passed on the 30th day of May, 2023.

Article 1

The name of the Company is LU HAI HOLDING CORP. 六暉控股股份有限公司

Article 2

The registered office will be situated at the offices of Portcullis (Cayman) Ltd., the Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands, British West Indies or at such other place in the Cayman Islands as the Directors may from time to time decide.

Article 3

The objects for which the Company is established are unrestricted and the Company shall have full power to carry out any object not prohibited by the Companies Law (Revised) or as the same may be amended from time to time, or any other law of the Cayman Islands.

Article 4

Subject to the following provisions of the Memorandum the Company shall have and be capable of exercising all of the functions of a natural person irrespective of any question of corporate benefit, as provided by section 27(2) of the Companies Law.

Article 5

The liability of each Member is limited to the amount from time to time unpaid on such Member's share.

Article 6

The authorized share capital of the Company is TWD1,800,000,000 consisting of 180,000,000 shares of TWD10.00 provided always that subject to the provisions of the Companies Law (Revised) as amended and the Articles of Association, the Company shall have power to redeem or purchase any or all of such shares and to sub-divide or consolidate the said shares of any of them and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be Ordinary, Preference or otherwise shall be subject to the powers hereinbefore provided.

The Companies Law (Revised)

Company Limited by Shares

10th Amended and Restated Articles of Association of

LU HAI HOLDING CORP. 六暉控股股份有限公司

Adopted by a special resolution passed on the 30th day of May, 2023.

Article 1

The regulations contained or incorporated in Table A in the First Schedule to the Statute shall not apply to this Company.

INTERPRETATION

Article 2

(a) in these Articles the following items shall have the meaning set opposite unless the context otherwise requires: -

Applicable Public Company Rules	the R.O.C. laws, regulations and rules affecting public companies or companies listed on any R.O.C. stock exchange or securities market, including , without limitation, the relevant provisions of the Company Law, the Securities Exchange Law, the Enterprise Mergers and Acquisitions Law, the Act Governing Relations Between Peoples Of The Taiwan Area And The Mainland Area, and the regulations and rules promulgated by the competent authorities and the stock exchange (including, without limitation, the FSC, the Ministry of Economic Affairs, the TWSE, and the GTSM)
Articles	these Articles of Association of the Company as altered from time to time
Audit Committee	a committee of the Board of Directors, which shall comprise solely of Independent Directors of the Company
Capital Reserve	shall bear the meaning given thereto in the Applicable Public Companies Rules
Company	means the above named company
Debenture	debenture stock, mortgages, bonds and any other such securities of the Company whether constituting a charge on the assets of the Company or not
Designated Stock Market	the Taiwan Stock Exchange or the GreTai Securities Market of the R.O.C.
Directors and Board of Directors	the directors of the Company for the time being or, as the case may be, the directors assembled as a board or as a committee thereof

Dividend	includes bonus
Electronic Record	shall have the same meaning as in the Electronic Transactions Law
Electronic Transaction Law	the Electronic Transactions Law (Revised) of the Cayman Islands
FSC	the Financial Supervisory Commission of the R.O.C.
GTSM	the GreTai Securities Market
Independent Directors	the Directors who are elected as “Independent Directors” for the purpose of Applicable Public Company Rules
Legal Capital Reserve	shall bear the meaning given thereto in the Applicable Public Companies Rules
Market Observation Post System	Market Observation Post System of the R.O.C.
Member	a person who is registered as the holder of Shares in the Register of Members
Memorandum	the memorandum of association of the Company adopted by the Members of the Company pursuant to the Statute, as amended or re-stated from time to time
Merger	a transaction whereby <ul style="list-style-type: none"> a)(i) all of the companies participating in such transaction are dissolved and combined into a new company, which new company is incorporated to generally assume 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 Statute or Applicable Public Company Rules
Month	a calendar month
Ordinary Resolution	a resolution passed by a simple majority of 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
Preferred Shares	have the meaning as in Article 10
Prevailing Fair Price	shall bear the meaning given thereto in the Applicable Public Companies Rules
Private Placement	obtaining subscription for, or the sale of, shares, options, warrants, rights of holders of debt or equity securities which enable those holders to subscribe further securities (including

	shares), or other securities of the Company, either by the Company itself or a person authorized by the Company, primarily from or to specific investors or approved by the Company or such authorized person, but excluding any employee incentive programme or subscription agreement, warrant, option or issuance of shares under Article 18.
Registered Office	the registered office for the time being of the Company
Register of Members	the register of Members to be kept by the Company in accordance with the Statute
Remuneration Committee	a committee of the Board of Directors as constituted in accordance with the Applicable Public Company Rules
R.O.C.	Taiwan, the Republic of China
Seal	the common seal of the Company and includes every duplicate seal
Share and Shares	any share in the capital of the Company, including a fraction of a Share
Shareholders' Service Agent	the agent licensed by Taiwan competent authorities to provide certain shareholders services in accordance with the Applicable Public Company Rules.
Share Exchange	transaction in accordance of R.O.C. Business Mergers and Acquisitions Act by which the Company transfers all its issued shares to another company in exchange for shares, cash or other assets in that company as the consideration for Members of the Company, vice versa.
signed	includes a signature or representation of a signature affixed by mechanical means
Special Capital Reserve	shall bear the meaning given thereto in the Applicable Public Companies Rules
Special Resolution	a resolution passed by a majority of not less than two-thirds of 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 which notice specifying the intention to propose the resolution as a special resolution has been duly given
Spin-off	an act wherein a transferor company transfers all of its independently operated business or any single independently operated business to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to issue new shares to the transferor company or to shareholders of the transferor company.
Statute	the Companies Law of the Cayman Islands as amended and every statutory modification or re-enactment thereof for the

	time being in force
Subsidiary and Subsidiaries	means (i) a subordinate company in which the total number of voting shares or total share equity held by the Company represents more than one half of the total number of issued voting shares or the total share equity of such subordinate company; or (ii) a company in which the total number of shares or total share equity of that company held by the Company, its subordinate companies and its controlled companies, directly or indirectly, represents more than one half of the total number of issued voting shares or the total share equity of such company
Supermajority Resolution	means (i) a resolution adopted 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 of the Company; or (ii) 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 of the Company, but more than one half of the total outstanding shares of the Company, a resolution adopted at such general meeting by the Members who represent two-thirds or more of the total number of shares entitled to vote on such resolution at such general meeting
TDCC	the Taiwan Depository & Clearing Corporation
TSE	the Taiwan Stock Exchange
Physical General Meeting	a general meeting which Members attend at the designated place for meeting.
Hybrid General Meeting	means the Company convenes a physical general meeting with the assistance of video conferencing, and Members may choose to take part by means of video conference.
Virtual-only General Meeting	means the Company convenes the meeting only by video, and shareholders may attend the shareholders' meeting only by means of video conferencing.

(b) Unless the context otherwise requires, expressions defined in the Statute and used herein shall have meanings so defined.

(c) In these Articles unless the content otherwise requires: -

- (i) words importing the singular number shall include the plural number and vice-versa;
- (ii) words importing the masculine gender only shall include the feminine gender; and
- (iii) words importing persons only shall include companies or associations or bodies of persons whether incorporated or not.
- (iv) reference to provisions of any law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced from time to

- time.
- (v) any phrase introduced by the terms “including”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
 - (vi) Section 8 of the Electronic Transactions Law shall not apply.

COMMENCEMENT OF BUSINESS

Article 3

- (a) The business of the Company may be commenced as soon after incorporation as the Directors shall see fit.
- (b) The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company including the expenses of registration.

Article 4

Subject to the provisions of the Statute, the Company shall issue Shares without printing share certificates for the Shares issued, and the details regarding such issue of Shares shall be recorded by TDCC in accordance with the Applicable Public Company Rules. Every person whose name is entered as a member in the Register of Members may be entitled to a certificate in the form determined by the Board of Directors if the Board of Directors resolves that a share certificate shall be issued. Such certificates may be under Seal or with the authorized 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 shares shall have been surrendered and cancelled.

Article 5

In the event that the Board of Directors resolves that the share certificates shall be issued pursuant to Article 4 hereof, the Company shall deliver the share certificates to the subscribers within thirty days from the date such share certificates may be issued pursuant to the Statute, the Memorandum, the Articles and the Applicable Public Company Rules, and shall make a public announcement prior to the delivery of such share certificates pursuant to the Applicable Public Company Rules.

Article 6

No shares may be registered in the name of more than one Member.

Article 7

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 of Directors may prescribe, and (in the case of defacement or wearing out) upon delivery of the old share certificate.

ISSUE OF SHARES

Article 8

- (a) Subject to the provisions, if any, in the Statute, the Memorandum, the Articles, and the Applicable Public Company Rules (and to any direction that may be given by the Company in general meeting) and without any prejudice to any special rights previously conferred on the holders of existing shares, the Directors may allot, issue, grant options over or otherwise dispose of shares of the Company with or without preferred, deferred, or other rights or restrictions, whether in regard to Dividend, voting, return of capital or otherwise and to such persons, at such times and on such other terms as they think proper, and the Company shall have power to redeem or purchase any or all of such Shares and to sub-divide or consolidate the said Shares of any of them and to issue all or any part of its capital whether priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issues shall otherwise expressly provide, every issue of Shares whether stated to be Ordinary, Preference or otherwise, shall be subject to the powers on the part of the Company hereinbefore provided. PROVIDED ALWAYS that, notwithstanding any provision to the contrary contained in these Articles of Association, the Company shall be precluded from issuing bearer shares, warrants, coupons or certificates.
- (b) The Company shall not issue any unpaid Shares or partly paid-up Shares.

Article 9

- (a) Subject to the Statute, the Article, and the Applicable Public Company Rules, the Company shall not cancel its Shares, unless a resolution on capital reduction has been adopted by a general meeting; and capital reduction shall be effected based on the percentage of shareholding of the Members pro rata.
- (b) Subject to the Statute and the Applicable Public Company Rules, the Company reducing its capital may redeem Share and return share prices based on par value of the Share to Members by transfer of assets in specie; the returned property and the amount of the transfer of assets in specie for substitution of returned share prices in cash shall require a prior approval of the general meeting and obtain consents from the Members who receive such property.
- (c) The Board of Directors shall first have the value of such property and the amount of such substitutive capital contribution set forth in the Article 9(b) audited and certified by a certified public accountant of the R.O.C. before the general meeting.

PREFERRED SHARES

Article 10

The Company may issue Shares with rights which are preferential to those of Ordinary Shares issued by the Company (“Preferred Shares”) with the approval of a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors and with the approval of a Special Resolution.

Article 11

Prior to the issuance of any Preferred Shares approved pursuant to Article 10 hereof, the Articles shall be amended to set forth the rights and obligations of the Preferred Shares, including but not limited to the following terms and provided that such rights and obligations of the Preferred Shares shall not contradict the mandatory provisions of Applicable Public Company Rules regarding the rights and obligations of such Preferred Shares, and the same shall apply to any variation of rights of Preferred Shares:

- (a) Order, fixed amount or fixed ratio of allocation of Dividends and bonus on Preferred Shares;
- (b) Order, fixed amount or fixed ratio of allocation of surplus assets of the Company;
- (c) Order of or restriction on the voting right(s) (including declaring no voting rights whatsoever) of preferred Members;
- (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.

ISSUANCE OF NEW SHARES

Article 12

- (a) The issue of new Shares of the Company shall be approved by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors. The issue of new Shares shall at all times be subject to the sufficiency of the authorized capital of the Company.
- (b) Upon each issuance of new Shares, the Directors may reserve a specified percentage of the new Shares for subscription by the employees of the Company and of the Subsidiaries who are determined by the chairman of the Board of Directors in his reasonable discretion as authorized by the Directors.

Article 13

- (a) Unless otherwise resolved by the Members in general meeting by Ordinary Resolution, where the Company proposes to increase its capital by issuing new Shares for cash, 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 any new Shares issues in cash. A waiver of such pre-emptive right may be approved at the same general meeting where the subject issuance of new Shares is approved by the Members. The Company shall state in such announcement and notice to the Members that if any Member fails to purchase his pro rata portion of the newly-issued Shares within the prescribed period, such Member shall be deemed to forfeit his pre-emptive right to purchase the newly-issued Shares. Subject to Article 6, in the event that the percentage 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 purchase of newly-issued Shares in the name of a single Member pursuant to the Applicable Public Company Rules. Where a subscriber

delays payment for new shares offered by cash capital increase, the Company shall set a period not less than one month and call upon each subscriber to pay up, declaring that in case of default of payment within the stipulated period their right shall be forfeited.

Notwithstanding the foregoing, if the Company already set a time limit to make payment for new shares more than one month, the Company may immediately decide that rights of subscription is forfeited in case of default of payment. 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 offer any un-subscribed new Shares to be issued to the public in the R.O.C. or to specific person or persons according to the Applicable Public Company Rules.

- (b) Members' rights to subscribe for newly-issued Shares may be transferred independently from the Shares from which such rights are derived. The rules and procedures governing the transfer of rights to subscribe for newly-issued Shares shall be in accordance with policies established by the Company from time to time, which policies shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.

Article 14

In the event that the Company increases its capital in cash by issuing new Shares in the R.O.C., the Company shall allocate 10% of the total amount of the new Shares to be issued, for public offering in the R.O.C. unless it is not necessary or appropriate, as determined by the Directors pursuant to the Applicable Public Company Rules and/or the instruction of the FSC or Designated Stock Market, for the Company to conduct the aforementioned public offering. Provided, however, if a percentage higher than the aforementioned 10% is resolved by a general meeting to be offered, the percentage determined by such resolution shall prevail.

Article 15

- (a) Unless otherwise provided in the Articles, the Company may carry out private placement of securities with the following persons upon adoption by the Members at any general meeting of Supermajority Resolution approving the same:
 - (i) Banks, bills finance enterprises, trust enterprises, insurance enterprises, securities enterprises, or other legal entity or institutions approved by the competent securities authority in the R.O.C.
 - (ii) Natural persons, legal entity, or funds meeting the conditions prescribed by the competent securities authority in the R.O.C.
 - (iii) Directors, supervisors (if applicable), and managerial officers of the Company or its affiliated enterprises.
- (b) For private placements of ordinary corporate bonds, the private placement may be carried out by installments within one year of the date of the resolution of the Board of Directors meeting.

Article 16

The pre-emptive right of Members provided under Article 13 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 with another company, or the Spin-off of the Company, or

- pursuant to any reorganization of the Company;
- (b) in connection with meeting the Company's obligation under Share subscription warrants and/or options, including those referenced in Article 18 ;
- (c) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire Shares;
- (d) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire Shares; or
- (e) in connection with a Private Placement.

Article 17

The periods of notice and other rules and procedures for notifying Members and implementing the exercise of the Members' pre-emptive rights shall be in accordance with policies established by the Board of Directors from time to time, which policies shall be in accordance with the Statute, Memorandum, the Articles and the Applicable Public Company Rules.

Article 18

- (a) The Company may, upon approval by a majority of the Board of Directors at a meeting attended by two-thirds or more of the total number of the Directors, adopt one or more incentive programmes pursuant to which shares, options, warrants, or other similar instruments to acquire Shares may be granted to employees of the Company and its Subsidiaries. The rules and procedures governing such incentive programme(s) shall be in accordance with policies established by the Board of Directors from time to time in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.
- (b) The options, warrants or other similar instruments issued in accordance with Article 18 (a) above are not transferable save by inheritance.

Article 19

- (a) The Company may enter into share option agreements with employees of the Company and the employees of its Subsidiaries in relation to the incentive programme approved pursuant to Article 18 above, whereby employees may subscribe, within a specific period of time, for a specific number of the Shares. The terms and conditions of such agreements shall be no less restrictive on the relevant employee than the terms specified in the applicable incentive programme.
- (b) Any issuance of restricted shares to employees of the Company or of its Subsidiaries shall require the approval of a Supermajority Resolution and be in accordance with the Statute and the Applicable Public Company Rules in respect of amount, price, conditions and any other matter.

Article 20

- (a) During the period when the Shares are traded on the Designated Stock Market, in the event the Company repurchase its own Shares to transfer them to its employee at less than the average actual repurchase price, it shall adopt a Supermajority Resolution at the next following general meeting, and the following matters shall be stated in the notice of that

general meeting, with a summary of the material consent to be discussed, and shall not be brought up as a ad hoc motion:

- (i) the exercise price, the valuation percentage, the bases of calculations, and the reasonableness thereof;
 - (ii) the number of Shares to be transferred, the purpose, and the reasonableness thereof;
 - (iii) qualification requirements for employees subscribing to Shares, and the number of Shares they are allowed to subscribe for; and
 - (iv) the factors affecting Members' equity, including the expensable amount and dilution of the Company's earnings per share, and the financial burden which will be imposed on the Company by transferring Shares to employees at less than the average actual repurchase price.
- (b) In the instances where share transfers to employees, under Article 19(a), have been adopted by general meetings and the Shares have been transferred, the aggregate number of Shares thus transferred shall not exceed 5% of the total outstanding Shares of the Company, and the aggregate number of shares subscribed by any single employee shall not exceed 0.5% of total outstanding Shares.
- (c) Any Shares which are repurchased and transferred to the employees of the Company may be subject to transfer restrictions for a period of not longer than two years, in which case the Board of Directors may determine in its discretion.

Article 21

Directors of the Company and directors of its Subsidiaries shall not be eligible for the incentive programmes under Article 18 above, provided that Directors who are also employees of the Company or its Subsidiaries may participate in an incentive programme in their capacity as an employee and not as a director of the Company or of its Subsidiaries.

REGISTER OF MEMBERS

Article 22

The Company shall maintain a Register of Members. The Board of Directors shall cause to be kept in one or more books a Register of Members which may be kept within or outside the Cayman Islands at such place as it deems fit.

Article 23

Notwithstanding anything contained in the Articles and subject to the law of the Cayman Islands, the holders of uncertificated Shares which are traded on the Designated Stock Market shall be recorded by TDCC, and the Company shall recognize as a Member each person identified as a holder of a Share in the records provided by TDCC. Upon receipt of any records of Members from TDCC, the Company shall update the Register of Members in accordance with such records.

Article 24

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 in order to make a determination of Members for any other purpose, the Directors shall determine the period that the Register of Members shall be closed for transfers and such period shall not be less than the minimum period of time immediately preceding the general meeting, as prescribed by the Applicable Public Company Rules.

Article 25

Subject to Article 24 hereof, in lieu or, or apart from, closing the Register of Members, the Board of Directors 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 adjournment thereof, or for the purpose of determining the Members entitled to receive payment of any Dividend or in order to make a determination of Members for any other purpose. In the event the Board of Directors designate a record date in accordance with this Article 25, such record date shall be a date prior to the general meeting, and the Board of Directors shall make a public announcement of such record date via the Market Observation Post System in accordance with the Applicable Public Company Rules.

Article 26

The rules and procedures governing the implementation of book closed periods, including notices to Members in regard to book closed periods, shall be in accordance with policies adopted by the Board of Directors from time to time, which policies shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.

TRANSFER OF SHARES

Article 27

Subject to the Statute and the Applicable Public Company Rules, Shares issued by the Company shall be freely transferable, provided that any shares reserved for issuance to the employees of the Company may be subject to transfer restrictions for a period of not longer than two years, in which case the Board of Directors may determine in its discretion.

Article 28

Subject to the Articles and the Applicable Public Company Rules, a Member may transfer all or any of his Shares by an instrument of transfer. The instrument of transfer of any share shall be in writing and shall be executed by or on behalf of the transferor and 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.

Article 29

The registration of transfers may be suspended when the Register of Members is closed in accordance with Article 24 hereof.

Article 30

Subject to the requirements of applicable laws of the Cayman Islands, transfers of un-certificated Shares which are traded on the Designated Stock Market may be effected by any

method of transferring or dealing in securities introduced by the Designated Stock Market or operated in accordance with the Applicable Public Companies Rules as appropriate.

Article 31

Notwithstanding Article 28 above, the Board of Directors may, subject to the applicable laws of the Cayman Islands, permit shares of any class held in un-certificated form to be transferred without an instrument of transfer by means of a relevant system, including the TDCC.

REPURCHASE OF SHARES

Article 32

- (a) Subject to the provisions of the Statute, the Memorandum, the Articles and the Applicable Public Company Rules, the Company may repurchase its own listed securities traded on the Designated Stock Market on such terms as the Board of Directors may from time to time decide by a resolution adopted by a majority vote at a Board of Directors meeting attended by two-thirds or more of the Directors.
- (b) The Board of Directors shall report the execution of the resolution adopted under Article 32(a) at the next following general meeting, and the same shall apply in the event the Company does not repurchase the listed securities for any reason.

Article 33

The Company may make a payment in respect of its own Shares in any manner permitted by the Statute and the Applicable Public Company Rules.

VARIATION OF RIGHTS OF SHARES

Article 34

If at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied or abrogated 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 these Articles is prejudicial to the preferential rights of any class of Shares, such modification or alteration shall be adopted by a Special Resolution of the Company and shall also be adopted by a Special Resolution passed at a separate meeting of Members of that class of Shares. The provisions of these Articles relating to general meetings shall apply to every such general meeting of the holders of the same class of Shares.

Article 35

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.

TRANSMISSION OF SHARES

Article 36

In case of the death of a Member, the survivor or survivors where the deceased was a joint holder, the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares, but nothing herein contained shall release the estate of any such deceased holder from any liability in respect of any shares which had been held by him solely or jointly with other persons.

Article 37

Any person becoming entitled to a share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any other way than by transfer) shall give written notice to the Company and, upon such evidence being produced as may from time to time be required by the Directors, may elect, by a notice in writing sent by him, either to be registered himself as holder of the share or to make such transfer of the share to such other person nominated by him as the deceased or bankrupt person could have made and to have such person registered as the transferee thereof.

GENERAL MEETING

Article 38

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

Article 39

The Company shall hold an annual general meeting in each year within six months following the end of each fiscal year and shall specify the meeting as such in the notices calling it.

Article 40

The Directors may, whenever they think fit, convene a general meeting of the Company. For so long as the Shares are traded on the Designated Stock Market, general meetings may also be convened on the written requisition of any Member or Members holding at the date of deposit of the requisition not less than 3% of the total number of the outstanding Shares at the time of requisition and whose Shares shall have been held by such Member(s) for at least one year.

Article 41

The requisition provided in Article 40 above must state in writing the objects of the meeting and the reason therefor and must be signed by the requisitionists and deposited at the registered office of the Company or the Shareholders' Service Agent and may consist of several documents in like form each signed by one or more requisitionists.

Article 42

If the Board of Directors does not within fifteen days from the date of the deposit of the

requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting in accordance with the Applicable Public Company Rules after applying to the competent authorities and being approved.

Article 42-1

Members continuously holding more than 50% of the total number of outstanding shares of the Company for a period of three months or a longer time may convene an extraordinary general meeting, and application to the competent authorities is not required.

The calculation of above said holding period and holding number of shares in the preceding sentence shall be based on the Register of Members as of the first date of the book closed period.

Article 43

(a) Unless otherwise provided by the Statute, the Physical General Meetings shall be held in the R.O.C. During the period when the shares are traded on the Designated Stock Market, if the Board of Directors resolves to hold a Physical General Meeting outside the R.O.C., the Company shall apply for the approval of TSE therefore within two days after the Board of directors adopts such resolution or Members acquire the approval of competent authorities to convene the Physical General Meeting. Where a general meeting is to be held outside the R.O.C., the Company shall engage a professional Shareholders' Service Agent in the R.O.C. 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).

(b) When a general meeting is convened, it may be convened by a Hybrid General Meeting or a Virtual-only General Meeting, or by any other methods announced publically by competent authorities of the Republic of China. If it is convened by a Hybrid General Meeting or a Virtual-only General Meeting, Members shall be informed about the video conference platform adopted by the Company. And Members taking part in a general meeting by the video conference platform shall be deemed to have attended in person.

(c) When a general meeting is convened by video conference, the conditions, procedure and other matters that the Company shall satisfy or comply must be determined in accordance with Applicable Public Company Rules.

NOTICE OF GENERAL MEETINGS

Article 44

(a) At least thirty days' notice of an annual general meeting shall be given to each Member and at least fifteen days' notice of any extraordinary general meeting shall be given to each Member. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business. During the period when the Shares are traded on the Designated Stock Market, the notice of the annual and extraordinary general meetings to be given to Members who own less than 1,000 shares of nominal Shares may be given in the form of a public announcement.

(b) The Company shall send materials relating to the matters to be discussed in the meeting

together with the notice, in accordance with Article 44(a) above, and shall transmit the same via the Market Observation Post System. Where voting powers at a general meeting are to be exercised in writing, a printed ballot shall also be sent to the Members.

Article 45

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

Article 46

During the period when the Shares are traded on the Designated Stock Market, the Company shall prepare a meeting handbook and supplemental materials for each general meeting, which shall be transmitted to the Market Observation Post System at least 21 days prior to the date of the relevant annual general meeting or 15 days prior to the date of the relevant extraordinary general meeting. However, in the case of the Company's paid-in capital reaching NT\$10 billion or more as of the last day of the most recent fiscal year, or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the shareholders' register at the time of holding of the regular shareholders' meeting in the most recent fiscal year, it shall upload the aforesaid electronic file by 30 days prior to the day on which the regular shareholders' meeting is to be held.

Article 47

The following matters shall be stated in the notice of general meetings, with a summary of the material content to be discussed, and shall not be brought up as an ad hoc motion, and the summary of above said matters may be put on the website(s) designated by the competent authorities or the Company, and address of such website(s) shall be indicated clearly in the notice:

- (a) election or discharge of Directors;
- (b) amendment to these Articles;
- (c) dissolution, Merger, shares swap or Spun-off of the Company
- (d) entry into, amendment to, or termination of any contract for lease of its business in whole, or the delegation of management of the Company's business to others or regular joint operation of the Company with others;
- (e) the transfer of the whole or any material part of its business or assets;
- (f) taking over another's whole business or assets, which will have a material effect on the business operation of the Company;
- (g) ratification of any action of Director(s) who engage(s) in business for him/herself or on behalf of another person that is within the scope of the Company's business;
- (h) distribution of the whole or part of the Dividends of the Company in the form of new Shares; distribution of Legal Capital Reserve and Capital Reserve arising from share premium or the income from endowments received by the Company in the form of new Shares to be issued for such purposes or in cash;
- (i) the Private Placement of any equity-type securities issued by the Company; and
- (j) transfer shares to the employees under Article 20; and

- (k) capital deduction; and
- (l) application to terminate the public offering of the Shares.

PROCEEDINGS AT GENERAL MEETINGS

Article 48

No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Unless otherwise provided 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.

Article 49

Members holding 1% or more of the total number of outstanding Shares immediately prior to the relevant book closed period may propose to the Company a proposal for discussion at a general meeting in writing or by way of electronic transmission to the extent and in accordance with the rules and procedures of general meetings proposed by the Board of Directors and approved by an Ordinary Resolution. The following procedure shall apply for making such proposals:

- (a) Proposal shall not be included in the agenda where (i) the proposing Member(s) holds less than 1% of the total number of outstanding Shares, (ii) where the matter of such proposal may not be resolved by a general meeting, (iii) the proposing Member has proposed more than one proposal, or (iv) the proposal is submitted on a day beyond the deadline fixed and announced by the Company for accepting Member's proposal.
- (b) Prior to the relevant book closed period, the Company shall, in accordance with the Applicable Public Company Rules, provide a public notice announcing the place and the period for Members to submit proposals to be discussed at the general meeting. The period for accepting such proposals shall be at least 10 days.
- (c) The number of words of a proposal to be submitted by a Member shall be limited to not more than 300 words, and any proposal containing more than 300 words shall not be included in the agenda of the general meeting. The Member who has submitted a proposal shall attend, in person or by a proxy, the general meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.
- (d) If the purpose of the proposal is to urge the Company to promote public interests or fulfill its social responsibilities, the Board may accept such proposal to be discussed in general meeting.
- (e) The Company shall, prior to preparing and delivering the notice of the general meeting, inform in writing all the Members who have submitted proposals pursuant hereto about the proposal screening results, and shall list in the said notice the proposals confirming to the requirements as provided in this Article. With regard to the proposals submitted by Members but not included in the agenda of the general meeting, the cause of exclusion of such proposals and explanation shall be made by the Directors at the general meeting to be convened.

Article 50

Unless otherwise expressly provided herein and subject to the Applicable Public Company Rules, if a quorum is not present at the time appointed for the general meeting or if during such a general meeting a quorum ceases to be present, 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 for two times, but at the postponed general meeting a quorum is still not present, the chairman shall declare the general meeting is 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.

Article 51

In a general meeting is convened by the Board of Directors, the chairman of the Board of Directors shall preside as the chair of such general meeting. In the event that the chairman is on a leave of absence, or is unable to exercise his powers and authorities, the chairman shall designate a Director to chair such general meeting. If the chairman does not designate a proxy or if such chairman's proxy cannot exercise his powers and authorities, the Directors who are present at the general meeting shall elect one from among themselves to act as the chair at such general meeting in lieu of the chairman. If a general meeting is convened by any person(s) other than the Directors, the person(s) who has convened the meeting shall preside as the chairman of such general meeting; and if there is more than one person who has convened a general meeting, such persons shall elect one from among themselves to act as the chair of such general meeting.

Article 52

Unless otherwise expressly required by the Statute, the Memorandum or the Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Members at any general meeting may be passed by an Ordinary Resolution.

Article 53

A resolution put to the vote of the meeting shall be decided on a poll. In computing the required majority when a poll is demanded regard should be had to the number of votes to which each Member is entitled by the Articles. No resolution put to the vote of the meeting shall be decided by a show of hands.

Article 54

In the case of an equality of votes, the chairman shall not be entitled to a second or casting vote.

Article 55

Nothing in the Articles shall prevent any Member from issuing 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 the passage of such resolution. The Taipei District Court, R.O.C. may be the court of the first instance for

adjudicating any disputes arising out of the foregoing.

Article 56

Subject to any rights or restrictions for the time being attached to any Shares, every Member who is present in person or by proxy at a general meeting shall have one vote for each Share of which he is the holder.

Article 57

In the case of joint holders, the joint holders shall select among them a representative for the exercise of their shareholder's right and the vote of their representative who tenders a vote where in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders.

Article 58

A Member of unsound mind, or in respect of whom an order has been made by any court, having jurisdiction in lunacy, may vote, by his committee or other person in the nature of a committee appointed by that court, and any such committee or other persons may vote by proxy.

Article 59

No Member shall be entitled to vote at any general meeting unless he is registered as a Member of the Company on the record date for such meeting nor unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

Article 60

Any objection raised in due time to the qualification of any voter by a Member having voting rights shall be referred to the chairman of the general meeting whose decision shall be final and conclusive.

Article 61

Votes may be cast either personally or by proxy. A Member may appoint only one proxy under one instrument to attend and vote at a meeting.

Article 62

- (a) During the period when the Shares are traded on the Designated Stock Market, the voting power of a Member at a general meeting may be exercised by way of electronic transmission.
- (b) 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 by way of electronic transmission. A Member who exercise his voting power at a general meeting by way of a written ballot or by electronic transmission shall be deemed present in person at such general meeting, but any Member voting in such manner shall not be entitled to notice of and the right to vote in regard to any ad hoc motion or amendment to the original agenda items to be resolved at the said general

meeting. For the purposes of clarification, such Member voting in such manner shall be deemed to have waived notice of, and the right to vote in regard to, any ad hoc motion and/or amendment to the original agenda items to be resolved at the said general meeting.

- (c) In the event a Member elects to exercise his voting power in writing or by way of electronic transmission, his declaration of intention shall be served to the Company two days prior to the scheduled meeting date of the general meeting, whereas if two or more declarations of the same intention are served to the Company, the first declaration of such intention received shall prevail; unless an explicit statement to revoke the previous declaration is made in the declaration which comes later.

Article 63

In the event any Member who has served the Company within his declaration of intention to exercise his voting power by means a written ballot or by means of electronic transmission pursuant to Article 62 hereof later intends to attend general meetings in person, he shall, at least two day prior to the date of the meeting, serve a separate declaration of intention to revoke his previous declaration of intention in the same manner previously used in exercising his voting power. Votes by means of written ballot or electronic transmission shall be valid if the relevant Member fails to revoke the declaration of intention before the prescribed time.

Article 64

Subject to the Statute, the Company may from time to time by Special Resolution:

- (a) change its name;
- (b) alter or add to these Articles; if any alteration of these Articles is prejudicial to the preferential rights of any Preferred Shares, such alteration or modification shall also be adopted in a resolution by a separate meeting of Members of that Preferred Shares.
- (c) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein; or
- (d) reduce its share capital and any capital redemption reserve in any manner authorized by law.

Article 65

Subject to the Statute, the Company may from time to time by Supermajority Resolution:

- (a) enter into, amend, or terminate any agreement for lease of the Company's whole business, or for delegation of management of the Company's business, or for regular joint operation with others;
- (b) transfer its business or assets, in whole or in any essential part;
- (c) acquire or assume the whole business or assets of another person, which has a material effect on the Company's operation;
- (d) discharge or remove any Director;
- (e) approve any action by one or more Director(s) who is engaging in business conduct for him/herself or on behalf of another person that is within the scope of the Company's business;
- (f) effect any capitalization of distributable dividends and/or bonuses and/or any other amount prescribed under Article 123 hereof;

- (g) effect any Merger, Spin-off, Share Exchange, or Private Placement of the Company, provided that any Merger which falls within the definition of “merger and/or consolidation” under the Statute shall also be subject to the requirements of the Statute in addition to the requirement of these Articles; or
- (h) issue restricted shares to employees of the Company or of its Subsidiaries; or
- (i) apply for termination of public offering.

Article 65-1

During the period when the Shares are traded on the Designated Stock Market, in the event that the Company’s listing on the stock exchange is terminated whereby the Company participates in a Merger and is resolved thereafter, or carries on a general transfer, shares swap or Spin-off, while the surviving, transferee, existing or newly incorporated company is not a company listed at stock exchange or the over-the-counter market, it shall be approved by Members who represent two-thirds or more of the total number of issued shares of the Company.

Article 66

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 66 (a) above.

Article 67

- (a) The instrument appointing a proxy shall be in writing and shall be executed under seal or the hand of the appointor or of his attorney duly authorized in writing, or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorized in that behalf. A proxy need not be a Member of the Company.
- (b) A Member may only execute one instrument of proxy and appoint one proxy only.

Article 68

During the period when the Shares are traded on the Designated Stock Market, subject to the Applicable Public Company Rules, except for trust enterprises organized under the laws of the R.O.C. or a Shareholders’ Service Agent, 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; any vote in respect of the portion in excess of such 3% threshold shall not be counted.

Article 69

In the event that a Member exercise his voting power by means of a written ballot or by means of electronic transmission and has also authorized a proxy to attend a general meeting, then the voting power exercised by the proxy at the general meeting shall prevail.

Article 70

- (a) During the period when the Shares are traded on the Designated Stock Market, the instrument of proxy shall be deposited at the office of the Company's Shareholders' Service Agent in the R.O.C. or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company not less than five days before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote where more than one instrument to vote 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.
- (b) After the service of the instrument of proxy to the Company, in the event the Member issuing the said proxy intends to attend the general meeting in person or to exercise his voting power in writing or by way of electronic transmission, a proxy rescission notice shall be filed with the Company two days prior to the date of the general meeting as scheduled in the general meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 71

The instrument of proxy shall be in the form approved by the Company and be expressed to be for a particular meeting only. The form of proxy shall include at least the following information: (a) instructions on how to complete such proxy, (b) the matters to be voted upon pursuant to such proxy, and (c) basic identification information relating to the relevant Member, proxy and the solicitor (if any). The form of proxy shall be provided by way of post or electronic transmission to the Members together with the relevant notice for the relevant general meeting, and such notice and proxy materials shall be distributed to all Members on the same day.

Article 72

For so long as the Shares are traded on the Designated Stock Market, 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".

Article 73

- (a) Any corporation which is a Member of record of the Company may in accordance with its Articles or in the absence of such provision by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, and the person so authorized 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 of record of the Company.
- (b) 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 with respect to exercising voting power separately in the preceding

paragraph shall be in compliance with the Applicable Public Company Rules.

Article 74

No vote may be exercised with respect to any of the following Shares nor may the following Shares be counted in the quorum of Members present at the general meeting nor be counted in determining the number of votes of the Members present at the said general meeting:

- (a) the Share held by the Company in accordance with the Statute;
- (b) the Shares held by any Subsidiaries of the Company, where the total number of voting shares or total shares equity held by the Company in such a such Subsidiary represents more than one-half of the total number of voting shares or the total shares equity of such Subsidiary; or
- (c) the Shares held by another company, where the total number of the shares or total shares equity of that company held by the Company and its Subsidiaries directly or indirectly represents more than one-half of the total number of voting shares or the total share equity of such a company.

Article 75

- (a) A Member who has a personal interest in any motion discussed at a general meeting, which interest may be in conflict with those of the Company, shall abstain from voting such Member's Shares in regard to such motion but such Shares may be counted in determining the number of Shares of the Members present at the such general meeting for the purposes of determining the quorum. The aforementioned Member shall also not vote on behalf of any other Member.
- (b) In the event that the creation of a pledge on the Company's Shares held by a Director exceeds one-half of the number of Shares held by the Director when he was elected, the exceeded number of the pledged Shares shall not be counted in the number of votes of Members present at the general meeting.

MINUTES OF GENERAL MEETINGS

Article 76

All resolutions of the general meeting shall be recorded in meeting minutes stating the date, month, and year of the meeting, place of the meeting, a brief description of the process of the meeting and its result, the name of the chairman of the meeting, number of Member present, number of shares represented, and shall be signed by or affixed the seal of the chairman of the meeting. The meeting minutes shall be announced by means of publication. The meeting minutes shall be properly kept by the Company during the existence of the Company.

DISSENTING MEMBER'S APPRAISAL RIGHT

Article 77

In the event any of the following resolutions is adopted at general meetings, any Member who has notified the Company in writing of his objection to such a resolution prior to the meeting and has voted against or waived her voting right at the meeting, may request the Company to

buy back all of his Shares at the then prevailing fair price:

- (a) The Company enters into, amends, or terminates any agreement for any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to other or the regular joint operation of the Company with others;
- (b) The Company transfers the whole or a material part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company; or
- (c) The Company accepts the transfer of the whole business or assets of another person, which has a material effect on the Company's business operations.

Article 78

During the period when the Shares are traded on designated stock exchange, and subject to the Statute and the Applicable Public Company Rules, in the event any part of the Company's business is Spin-Off, or involved in any Merger or Share Exchange with any other company, the Member, who has forfeited his right to vote on such matter and expressed his dissent therefore, in writing or verbally (with a record) before or during the general meeting, may request the Company to buy back all of his Shares at the then prevailing fair price.

Article 79

(a) The request of Members prescribed in the preceding two Articles shall be delivered to the Company in writing, stating therein the types and numbers of Shares to be repurchased, within twenty days after the date of such resolution. In the event the Company has reached an agreement in regard to the purchase price with the requested Member in regard to the Shares of such Member (the "appraisal price"), the Company shall pay such price within ninety days after the date on which the resolution was adopted. In case no agreement is reached, the Company shall pay the fair price it has recognized to the dissenting Member within 90 days since such resolution. If the Company did not pay, the Company shall be deemed as have agreed the price requested by the Member.

(b) When a Member makes request prescribed in Article 78 hereof, in the event the Company fails to reach such agreement with the Member within sixty days after the resolution date, the Company must, within thirty days after such sixty-day period has expired, file a petition for a ruling on the appraisal price against all the Members not having agreed yet as the opposing party. And Taiwan Taipei District Court may be the jurisdiction of the first instance.

(c) Shares for which voting right has be waived in the preceding two Articles shall not be counted in the number of votes of shareholders present at the meeting.

DIRECTORS

Article 80

There shall be a Board of Directors consisting of nine (9) to thirteen (13) Directors including at least three Independent Directors, each of whom shall be appointed to a term of office of three years. Directors may be eligible for re-election. The Company may from time to time by Ordinary Resolution increase or reduce the number of Directors subject to the above number limitation provided that the requirements by relevant laws and regulations (including but not

limited to any listing requirements) are met.

Article 81

Unless otherwise approved by the Designated Stock Market, not more than half of the total number of Directors can have a spousal relationship or familial relationship within the second degree of kinship with any other Directors.

Article 82

In the event where 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 81 hereof, the non-qualifying Director(s) who was elected within the fewer number of votes shall be deemed not to have been elected, to the extent necessary to meet the requirements provided for in Article 81 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.

Article 83

During the period when the Shares are traded on the Designated Stock Market, unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three Independent Directors. To the extent required by the Applicable Public Company Rules, at least two of the Independent Directors shall be domiciled in the R.O.C.

Article 84

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. During the period when the Shares are traded on the Designated Stock Market, the professional qualifications, restrictions on shareholdings and concurrent positions, and assessment of independence with respect to Independent Directors shall be governed by the Applicable Public Company Rules. The office of Independent Director shall be vacated if the Independent Director becomes ineligible for such position under the Applicable Public Company Rules.

ELECTION OF DIRECTORS

Article 85

The Company may at a general meeting elect any person to be a Director, which vote shall be calculated in accordance with Article 86 below.

Article 86

Directors shall be elected pursuant to a cumulative voting mechanism pursuant to a poll vote, the procedures for which has been approved and adopted by the Directors and also by an Ordinary Resolution, 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 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 candidate or may be split for election

amongst multiple Director candidates, as specified by the Member pursuant to the poll vote ballot. There shall not be votes which are limited to class, party or sector, and any Member shall have the freedom to specify whether to concentrate all of its votes on one or any number of candidate(s) without restriction. A candidate for whom the ballots cast represent a prevailing number of votes shall be deemed a Director elect, and where more than one Director is being elected, the top candidates for whom the votes cast represent a prevailing number of votes relative to the other candidates shall be deemed Directors elect. The rule and procedure for such cumulative voting mechanism shall be in accordance with policies proposed by the Board of Directors and approved by an Ordinary Resolution from time to time, which policies shall be in accordance with the Memorandum, the Articles, and the Applicable Public Company Rules.

Article 87

During the period when the Shares are traded on the Designated Stock Market, Directors (including Independent Directors) shall be elected pursuant to a candidate nomination mechanism which is in compliance with Applicable Public Company Rules. The rules and procedures for such candidate nomination mechanism shall be in accordance with policies established by the Board of Directors and by an Ordinary Resolution from time to time, and such policies shall be in accordance with the Statute, the Memorandum, the Articles, and the Applicable Public Company Rules. For the avoidance of controversy, Directors (excluding Independent Directors) shall be elected by the Members from the list of candidates for Directors (excluding Independent Directors); Independent Directors shall be elected by the Members from the list of candidates for Independent Directors.

Article 88

If the number of Independent Directors is less than number set forth in the Articles due to the resignation or removal of any of the Independent Directors or any other reason, the Company shall hold an election of Independent Directors at the next following general meeting. If all of the Independent Directors have resigned or removed or otherwise vacated office, the Board of Directors shall hold, within sixty days, an extraordinary general meeting to elect succeeding Independent Directors to fill the vacancies.

Article 89

- (a) If the number of Directors is less than five 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 Directors of the Company equals to one third of the total number of Directors elected, the Board of Directors shall hold, within sixty days, an extraordinary general meeting to elect succeeding Directors to fill in the vacancies.
- (b) Prior to the expiration of the term of office of existing Directors, in the event a re-election of all Directors is effected, and in the absence of such resolution that the existing Directors will not be discharged until the expiry of their present term of office, all existing Directors shall be deemed discharged in advance.

DIRECTOR'S INTERESTS

Article 90

A Director may hold any other office or place or profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.

Article 91

The Directors shall be authorized and delegated the power to set remuneration for all Directors; provided that during the Shares are traded on the Designated Stock Market, the amount of such remuneration shall be determined by the Remuneration Committee. Directors' remuneration shall be in accordance with their involvement to the operation of the Company, their contribution to the Company, and Taiwan and international standards in the industry, and in consideration of whether the Company has profits or suffers losses. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning for the meetings of the Board of Directors, any committee appointed by the Board of Directors, 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 other remuneration as may be appropriate in accordance with the Statute, the Applicable Public Company Rules (during the period when the Shares are traded on the Designated Stock Market), the service agreement or other similar contract that he has entered into with the Company.

Article 92

Subject to the Statute and the Applicable Public Company Rules, a Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing contained herein shall authorize a Director or his firm to act as auditor to the Company.

Article 93

A Director who engages in conduct either for himself or on behalf of another person within the scope of the Company's business, shall disclose to Members, at a general meeting prior to such conduct, a summary of the major elements of such interest and obtain the ratification of the Members at such general meeting by a Super Majority Resolution vote. In case a Director engages in business conduct for himself or on behalf of another person in violation of this Article 93, the Members may, by Ordinary Resolution, require the disgorgement of any and all earnings derived from such act, except when at least one year has lapsed since the realization of such associated earnings.

Article 94

- (a) A director who has a personal interest in the matter under discussion at a meeting of Board of Directors shall explain to the Directors the essential contents of such personal interest. When the Company is involved in any Merger and acquisition, a Director of the Company who has a personal interest in the transaction of Merger and acquisition shall

explain to the meeting of the Board of Directors and the general meeting the essential contents of such personal interest and the cause of approval or dissent to the resolution of Merger and acquisition. The Company shall also explain the essential contents of directors' personal interest and the cause of approval or dissent to the resolution of Merger and acquisition in the notice of that general meeting, and such content may be posted on the website designated by the competent authority in charge of securities affairs of the Republic of China or the company, and the address of such website shall be indicated in the above notice.

Where the spouse, a blood relative within the second degree of kinship of a Director, or any company which has a controlling or subordinate relation with a Director has interests in the matters under discussion in the meeting of the preceding paragraph, such Director shall be deemed to have a personal interest in the matter.

- (b) A Director who has a personal interest in the matter under discussion at a meeting of the Board of Directors, which may conflict with 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 the votes of Directors present at the board meeting.

Article 95

- (a) Subject to the provisions of the Statute, the Articles, the Applicable Public Company Rules (during the period when the Shares are traded on the Designated Stock Market) and any resolution made in a general meeting, the business of the Company shall be managed by the Board of Directors who may pay all expenses incurred in promoting, registering and setting up the Company, and may exercise all such powers of the Company.
- (b) The Directors of the Company shall have a fiduciary duty and shall conduct business operation of the Company in due care and diligence and be responsible for any damages sustained by the Company due to his violation therefrom. If any act by a Director in violation of the preceding paragraph is for the Director himself or for other person, the general meeting of Members may adopt a resolution to consider the earning in such an act as earnings of the Company.
- (c) 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, the Director and the Company shall be jointly and severally liable for the damage to such other person.
- (d) The duties and responsibility for which the directors are liable shall also apply to a manager of the Company acting within the scope of his duties.

Article 96

The Board of Directors may from time to time appoint any person, whether or not a Director, to be a manager or agent for managing the affairs of the Company, and with such powers and duties as the Board of Directors may think fit. Any person so appointed by the Board of Directors may be removed by the Board of Directors. The remuneration of the managers shall be determined by the Board of Directors; provided that during the period when the Shares are traded on the Designated Stock Market, the amount of such remuneration shall be determined

by the Remuneration Committee.

Article 97

All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall from time to time by resolution determine.

Article 98

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

Article 99

Subject to the provisions of the Statute and the Applicable Public Company Rules (during the period when the Shares are traded on the Designated Stock Market), the Board of Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any directions that may be imposed on it by the Board of Directors. Subject to any directions or regulations made by the Board of Directors for this purpose, the meetings and proceedings of any such committee shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Board of Directors.

Article 100

The Board of Directors may from time by power of attorney appoint any company, firm, or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under the Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorize any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

PROCEEDINGS OF DIRECTORS

Article 101

The quorum necessary for the transaction of the business of the Directors shall be more than one-half of the Directors or as otherwise set out in the Articles. A director represented by proxy at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present. 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 as the necessary quorum of Directors, the continuing Directors may act for summoning a general meeting of the Company, but for no other purpose.

Article 102

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

Article 103

A Director may, or other officer of the Company authorized by a Director shall, call a meeting of the Directors. Notice of a meeting of the Board of Directors shall be deemed to be duly given to a Director if it is given to such Director by post, cable, telex, 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. During the period when the Shares are traded on the Designated Stock Market, at least seven days' prior notice setting forth the general nature to be discussed shall be given for any meeting of the Board of Directors provided that the Board of Directors may meet at any time in case of any urgent circumstances.

Article 104

A person may participate in a meeting of the Board of Director or committee of the Board of Directors by video conference or other communications equipment by means of which all the persons participating in the meeting can see and 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.

Article 105

The chairman shall be the chair person of the meeting. In the event that the chairman is on a leave of absence, or is unable to exercise his powers and authorities, the chairman shall designate a Director to chair such general meeting. If the chairman does not designate a proxy or if such chairman's proxy cannot exercise his powers and authorities, the Directors who are present at the meeting shall elect one from among themselves to act as the chair at such meeting in lieu of the chairman.

Article 106

A Board of Directors may meet and adjourn as it thinks proper. Subject to any express provision to the contrary in these Articles, questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the Chairman shall not have a second or casting vote.

Article 107

All acts done by any meeting of the Directors or of a committee of Directors shall,

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

Article 108

The Board of Directors shall, by a resolution, establish rules governing the procedure of meeting(s) of the Directors and such rules shall be in accordance with the Articles and the Applicable Public Company Rules (during the period when the Shares are traded on the Designated Stock Market).

VACATION OF OFFICE AND REMOVAL OF DIRECTOR

Article 109

The office of a Director shall be vacated:

- (a) gives notice in writing to the Company that he resigns the office of Director;
- (b) is removed from office by Supermajority Resolution;
- (c) having been adjudicated bankrupt or adjudicated of the commencement of liquidation process by a court, and having not been reinstated to his rights and privileges;
- (d) having no or only limited disposing capacity or been adjudicated of the commencement of assistantship and such assistantship having not been revoked yet.
- (e) having committed a offence of prevention of organized crimes and subsequently adjudicated guilty by a final judgment, and having not started serving the sentence, having not completed serving the sentence or five years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
- (f) having committed an offence involving fraud, breach of trust or misappropriation and subsequently punished with imprisonment for a term of more than one year, and having not started serving the sentence, having not completed serving the sentence or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
- (g) having been adjudicated guilty by a final judgment for misappropriating public funds during the time of his public service, and having not started serving the sentence, having not completed serving the sentence or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon; or
- (h) having been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet.

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

If a Director (excluding Independent Director) whose Shares have transferred, during the term of office as a Director, more than one half of the Shares being held by him/her at the time he/she is elected, he/she shall, ipso facto, be discharged from the office of Director without a resolution adopted at a general meeting.

If a Director (excluding Independent Director) , after having been elected and before his/her inauguration of the office of Director, has transferred more than one half of the total number of Shares he/she holds at the time of his/her election as such; or had transferred more than one half of the total number of Shares he/she held within the book closed period prior to the convention of a general meeting under the Applicable Public Company Rules, then his/her election as a director shall become invalid without a resolution adopted at a general meeting.

Article 110

The Company may from time to time by Supermajority Resolution remove any Director from office, whether or not appointing another in his stead.

Article 111

Where a Director has, in the course of performing his duties, committed any act resulting in material damages to the Company or in serious violation of applicable laws, regulations and/or the Articles, but has not been removed by a Supermajority Resolution of a general meeting, the Member(s) holding 3% or more of the total number of outstanding Shares of the Company may, within 30 days after that general meeting, institute a lawsuit in the court for a judgment to remove such Director, and court of the first instance may be the Taipei District Court, R.O.C.

SEAL

Article 112

- (a) The Company may, if the Board of Directors so determine, have a Seal which shall only be used by the authority of the Directors or of a committee of the Directors authorized by the Directors. The use of Seal shall be in accordance with the Seal Policy adopted by the Board of Directors (which its Board of Directors may amend such policy any time as they deem necessary).
- (b) 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 kept under the custody of a person appointed by the Directors, and if the Directors so determine, with the addition on its face of the name of every place where it is to be used.
- (c) A person authorized by the Directors may affix the Seal of the Company 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.

OFFICERS

Article 113

- (a) The Board of Directors shall appoint a chairman and may appoint such other officers as they consider necessary on such terms to perform such duties, and subject to such provisions as to disqualification and removal as the Directors may think fit. Unless otherwise specified in the terms of his appointment an officer may be removed by

resolution of the Board of Directors.

- (b) The Company shall designate a representative within the territory of the R.O.C. to represent the Company in all litigious and non-litigious matters and to serve as its responsible person in the R.O.C. in compliance with the Applicable Public Company Rules. The representative as described in the preceding sentence shall have a residence or domicile within the territory of the R.O.C.

CORPORATE RECORD

Article 114

The Directors shall cause minutes to be made in books provided for the purposes of recording:

- (c) the names of Directors present at each meeting of the Board of Directors and or any committee appointed by the Board of Directors; and
- (d) all resolutions and proceedings at all general meetings, meetings of the Board of Directors, and meetings of committees appointed by the Board of Directors.

DIVIDENDS

Article 115

- (a) If the Company has pre-tax profits in the current year, the Company shall set aside not less than 1.5% of the profits as employees' compensation and not more than 3% of the profits as Directors' remuneration. When the employees' compensation is distributed by cash or by issuing new shares, the employees entitled to such compensation may include employees of the Subsidiaries satisfying certain criteria as promulgated and amended by the Board of Directors from time to time. A resolution for employees' compensation or Directors' remuneration proposed to the Board of Directors of the Company shall be adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors and reported to the general meeting. However, before setting aside the profits as employees' compensation and Directors' remuneration in accordance with the ratio set forth in this paragraph, the Company's accumulated losses shall have been covered. A Director who also serves as an executive officer of the Company may receive a bonus in his capacity as a Director and a bonus in his capacity as an employee.
- (b) The Company may distribute profits in accordance with a proposal for distribution of profits prepared by the Directors and approved by the Members by Ordinary Resolution. The Directors shall prepare such proposal as follows: the proposal shall begin with the Company's Annual Net Income and offset its losses in previous years that have not been previously offset; then set aside a Legal Capital Reserve at 10% of the profits left over, until the accumulated Legal Capital Reserve has equaled the total paid-up capital of the Company; then set aside a Special Capital Reserve if one is required in accordance with the Applicable Public Company Rules or as requested by the authorities in charge. If there is net remainder, the Directors may prepare the proposal for distribution of Dividends, bonus or other benefits accounted together with undistributed profits accrued in previous years and submit to the general meeting for review and approval by a

resolution.

- (c) The Company is currently positioned in a growth and development phase. Due to the need for capital expenditure, operation expansion and an integrated financial planned in order to maintain sustainable growth, any balance left over under Article 115(a) and/or (b) may be distributed as Dividends (including cash dividends or stock dividends) or bonuses in accordance with the Statute and the Applicable Public Company Rules, among which the Dividends to be distributed shall not be lower than 10% of the balance left over and the cash Dividends shall not be lower than 10% of the total amount of Dividends distributed to the Members.

Article 116

- (a) Subject to the Statute and the Article, the Directors may declare Dividends and distributions of Shares in issue and authorize payment of the Dividends or distributions out of the funds of the Company lawfully available therefor.
- (b) No dividend or distribution shall be payable except out of the profits of the Company, realized or unrealized, or out of the share premium account or as otherwise permitted by the Statute.

Article 117

- (a) The Board of Directors shall establish a share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company.
- (b) Unless otherwise provided in these Articles and to the extent permitted by the by the Statute, the Legal Capital Reserve and Capital Reserve shall not be used except for off-setting losses of the Company. The Company shall not use the Capital Reserve to off-set its capital losses, unless the Legal Capital Reserve and the Special Capital Reserve are insufficient to off-set such losses.

Article 118

Except as otherwise provided by the rights attached to Shares, all Dividends shall be declared and paid in proportion to the number of Shares that a Member holds. If any Shares is issued on terms providing that it shall rank for Dividend as from a particular date that Share shall rank for Dividend accordingly.

Article 119

The Directors may deduct from any Dividend or distribution payable to any Member all sums of money (if any) then payable by him to the Company on any count.

Article 120

Subject to the Statute and the Articles, the Company in general meeting may from time to time declare Dividends and/or bonuses in any currency to be paid to the Members but no Dividends or bonus shall be declared in excess of the amount recommended by the Board. For so long as the Shares are registered in the Designated Stock Market, Dividend or bonuses may only be declared in TWD.

Article 121

Any dividend, distribution, interest or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder or cheque or warrant sent through the post directed to the registered address of the holder. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

Article 122

No dividend or distribution shall bear interest against the Company.

Article 123

- (a) Subject to the Statute and Article 65(f), where the Company incurs no loss, it may capitalize its Legal Capital Reserve and the following categories of Capital Reserve –share premium account and/or income from endowments received by the Company –in whole or in part, either by issuing new, fully paid bonus Shares or by distributing cash dividends to its Members. Where Legal Capital Reserve is distributed by issuing new shares or by cash, only the portion of Legal Capital Reserve which exceeds 25% of the paid-in capital may be distributed.
- (b) Subject to the Statute, in the event the Company issues new Shares to the existing Members by capitalization of its reserves or due to an increase in the value of its assets upon revaluation, Article 12(b) shall not apply.

TENDER OFFER

Article 124

Within fifteen days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its litigation or non-litigation agent appointed pursuant to the Applicable Public Company Rules, the Board of Directors shall resolve to recommend to the Members whether to accept or object to the tender offer and make a public announcement of the following:

- (a) The types and amount of Shares held by the Directors and the Members holding more than 10% of the outstanding Shares in its own name or in the name of other persons.
- (b) Recommendations to the Members on the verification of the identity and financial condition of the tender offeror, fairness of the tender offer conditions, and reasonableness of the sources of the tender offer funds. The specific assenting and dissenting opinions of the Directors and their reasons therefor shall also be stated.
- (c) Whether there is any material change in the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any.
- (d) The types, numbers and amount of the Shares of the tender offeror or its affiliates held by the Directors and the Members holding more than 10% of the outstanding Shares held in its own name or in the name of other persons.

AUDIT COMMITTEE

Article 125

The Company shall establish an Audit Committee comprised of all of the Independent Directors, one of whom shall be the chairman, and at least one of whom shall have accounting or financial expertise to the extent required by the Applicable Public Company Rules. A resolution of the Audit Committee shall be passed by one-half or more of all members of such committee. The rules and procedures of the Audit Committee shall be in accordance with policies proposed by the members of the Audit Committee and passed by Board of Directors from time to time, which shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules and the instruction of the FSC and the Designated Stock Market, if any. The Board of Directors shall stipulate the charter of the Audit Committee in accordance with the Articles and Applicable Public Company Rules.

Article 126

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 of Directors for resolution:

- (a) Adoption or amendment of an internal control system of the Company;
- (b) Assessment of the effectiveness of the internal control system;
- (c) Adoption or amendment of handling procedures for significant financial or operational actions, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees on behalf of others;
- (d) A matter where a Director has a personal interest;
- (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 removal of a financial, accounting, or internal auditing officer;
- (j) Annual and semi-annual financial reports;
- (k) Any other matters so determined by the Company from time to time or required by any competent authority overseeing the Company.

Except for item (j) above, any matter under subparagraphs (a) through (k) of the preceding paragraph that has not been approved with the consent of one-half or more of the Audit Committee members may be undertaken only upon the approval of two-thirds or more of all Directors, without regard to the restrictions of the preceding paragraph, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

Article 126-1

Audit Committee shall supervise the execution of business operations of the Company, and may at any time or from time to time investigate the business and financial conditions of the Company, inspect, transcribe or make copies of the accounting books and documents, and request the Board of Directors or managerial personnel to make reports thereon.

Article 126-2

Audit Committee shall audit the various statements and records prepared for submission to the

general meeting by the Board of Directors, and shall make a report of their findings and opinions at the general meeting.

Article 126-3

In conducting investigation and relevant affairs, Audit Committee may appoint, on behalf of the Company, a practicing lawyer and a certified public accountant to conduct the examination.

Article 126-4

An Independent Director shall not be concurrently a Director, a managerial officer or other staff/employee of the company.

Article 126-5

Before the Company makes any resolution of Merger and acquisition by the Board of Directors, the Company shall have the Audit Committee to review the fairness and reasonableness of the plan and transaction of the Merger and acquisition, and then report the review results to the Board of Directors and a general meeting. However, if under the Statute the Company is not required to convene a general meeting to make resolution of Merger and acquisition, the review result is not required to be reported to the general meeting.

Article 126-6

When reviewing the plan and transaction of the Merger and acquisition, the Audit Committee shall seek opinions from an independent expert on the justification of the Share Exchange ratio or distribution of cash or other assets.

Article 126-7

Review results of the Audit Committee and opinions from an independent expert shall be delivered to each Member together with the notice of the general meeting. However, if the Merger and acquisition is not required to be resolved by the general meeting, reports for matters of the Merger and acquisition shall be submitted to the next closest general meeting. As to afore-mentioned documents that shall be delivered to Members, if the Company announced the same content as in those documents on a website designated by the competent securities authority of R.O.C and those documents are prepared at the venue of the general meeting by the Company for Members' inspection, those documents shall be deemed as have been delivered to Members.

REMUNERATION COMMITTEE

Article 127

The Company shall establish a Remuneration Committee. Regulations governing the professional qualification for its members, the exercise of their powers of office, and related matters shall be prescribed in accordance with the Applicable Public Company Rules. Remuneration referred to in the preceding paragraph shall include salary, stock options, and any other substantive incentive measures for Directors, and managerial officers.

BOOKS OF ACCOUNT

Article 128

The Directors shall cause proper books of account to be kept with respect to:

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

Proper books 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.

Article 129

The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Statute or authorized by the Directors or by the Company in general meeting.

Article 130

The Directors may from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by law.

Article 131

The instruments of proxy, documents, forms/statements and information in electronic media prepared in accordance with the Articles and relevant rules and regulations shall be kept for at least one year. However, if a Member institutes a lawsuit with respect to such instruments of proxy, documents, forms/statements and/or information mentioned herein, they shall be kept until the conclusion of the litigation if longer than one (1) year.

Article 132

During the period when the Shares are traded on the Designated Stock Market, the Board of Directors shall submit business reports, financial statements and proposals for distribution of profits or losses prepared by it for the purposes of annual general meetings of the Company for ratification or approval by the Members as required by the Applicable Public Company Rules. After ratification or approval by the general meeting, the Board of Directors shall distribute copies of the ratified financial statements and the Company's resolution on the allocation and distribution of profits or loss, to each Member or make public announcement in accordance with the Applicable Public Company Rules.

Article 133

During the period when the Shares are traded on the Designated Stock Market, the Board of

Directors shall keep copies of the yearly business report, financial statements, and the report prepared by the Audit Committee (if any) at the office of its Shareholders' Service Agent before ten (10) days of the annual general meeting and any of its Members is entitled to inspect such documents during normal business hours of such Agent.

Article 134

The Board of Directors shall keep the Articles, all the minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the office of the Company's registrar (if applicable) and the Company's Shareholders' Service Agent located in R.O.C. The 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, make copies of or reproduce the foregoing documents; and the Company shall make the shareholder service agent to provide with the access.

Article 134-1

The Board of Directors or other authorized conveners of general meetings may require the Company or the Shareholders' Service Agent to provide with the Register of Members.

NOTICES

Article 135

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

Article 136

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

Article 137

Any notice or other document, if served by (a) post, shall be deemed to have been served at the time when the letter containing the same is posted; (b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient; (c) courier service, shall be deemed to have been served at the time when the letter containing the same is

delivered to the courier service; or (d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail. In proving service by post or courier service, it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

Article 138

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

Article 139

Notice of every general meeting shall be given in any manner hereinbefore authorized to:

- (a) every person shown as a Member in the Register of Members as of the record date for such meeting.
- (b) 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 of record where the Member of record 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.

WINDING UP

Article 140

If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Statute and subject to the Applicable Public Company Rules, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes 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 contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

Article 141

If the Company shall be wound up, and the assets available for distribution amongst the Members as such 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 Share capital, at the commencement of the winding up on the Shares held by

them respectively. And if in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the Share capital at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the Share capital at the commencement of the winding up on the Shares held by them respectively. This Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

INDEMNITY AND INSURANCE

Article 142

(a) To the maximum extent permitted by applicable law (including the Statute and Applicable Public Company Rules), the Directors and officers for the time being of the Company and personal representatives respectively shall be indemnified out of the assets of the Company from and against all actions, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duty in their respective offices, except such (if any) as they shall incur or sustain by or through their own fraud, dishonesty, willful neglect or default respectively and no such Director, officer shall be answerable for the acts, receipts, neglects or defaults of any other Director, officer, or for the solvency or honesty of any banker or other persons with whom any monies or effects belonging to the Company may be lodged or deposited for safe custody or for any insufficiency of any security upon which any monies of the Company may be invested or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of his office unless the same shall happen through the willful neglect or default of such Director, Officer.

(b) Subject to the laws of Cayman Islands, Members continuously holding 1% or more of the total issued Shares for six months or longer may request in writing any Independent Director of the Audit Committee to file a litigation against any Director or Directors on behalf the Company, and the Taiwan Taipei District Court, R.O.C., may be the court of first instance for such matter.

If the Independent Director of the Audit Committee who has been requested by such Members in accordance with the previous paragraph fails to file such litigation within thirty (30) days after receiving the request by such Members, subject to the laws of Cayman, such Members may file such litigation on behalf of the Company, and the Taiwan Taipei District Court, R.O.C. may be the court of the first instance for such matter.

Besides the situations that the Board of Directors does not or is unable to convene a general meeting, Audit Committee may, for the benefit of the Company, also call a general meeting when it is deemed necessary.

Article 143

The Company may purchase and maintain insurance for the benefit of any Director or officer against any liability incurred by him in his capacity as a Director or officer or indemnifying such Director or officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or officer may be guilty in relation to the Company or any Subsidiary thereof.

FINANCIAL YEAR

Article 144

Unless the Directors 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.

AMENDMENTS OF ARTICLES

Article 145

Subject to the Statute and the Articles, the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

TRANSFER BY WAY OF CONTINUATION

Article 146

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.

Article 147

When conducting its 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.

LU HAI HOLDING CORP.

Rules of Procedure for Shareholder Meetings (Pre-Amendment)

1. Purpose: Purpose: To establish a sound shareholders' meeting governance system for the Company, strengthen oversight functions, and enhance management capabilities, these rules are hereby established for compliance.
2. Scope: All matters related to the convening of the Company's shareholders' meetings, shareholder statements during the meeting, meeting procedures, and other related issues shall be governed by these rules.
3. Definition: None.
4. Responsible Unit: The General Manager's Office.
5. Operational Content:
 - 5.1 The rules of procedure for the Company's shareholders' meetings, unless otherwise specified by relevant laws (including the laws of the Cayman Islands and applicable regulations of the Taiwan Stock Exchange) or the Articles of Incorporation, shall be governed by these rules. In line with the Company's listing on the Taiwan securities market, the following company laws refer to the Taiwan Company Act.
 - 5.2 The shareholders' meetings are divided into annual and extraordinary meetings. The annual general shareholders' meeting must be convened at least once a year, within six months after the end of each fiscal year, and is called by the Board of Directors in accordance with Article 172 of the Company Law. Extraordinary meetings are convened as necessary in accordance with the law.
 - 5.3 The Company shall suspend the transfer of shares within sixty days before the annual general shareholders' meeting, thirty days before the extraordinary shareholder meeting, or five days before the record date for the distribution of dividends, bonuses, or other benefits.
 - 5.4 Convocation and Meeting Notice for Shareholders' Meetings
 - 5.4.1 The shareholders' meeting of the Company, unless otherwise stipulated by law, shall be convened by the Board of Directors.

Any changes to the method of convening the Company's shareholders' meeting must be approved by the Board of Directors and made no later than the date the notice of the shareholders' meeting is sent out.

5.4.2 The convening of the general shareholders' meeting shall be notified to all shareholders by sending a shareholders' meeting notice at least 30 days in advance. The convening of an extraordinary shareholders' meeting shall be notified to all shareholders by sending a meeting notice at least 15 days in advance. For shareholders holding fewer than 1,000 shares, the notice of the annual or extraordinary shareholders' meeting may be provided through an announcement on the Market Observation Post System instead of sending a physical notice. The Company shall, at least 30 days before the general shareholders' meeting or 15 days before the extraordinary shareholders' meeting, prepare electronic files of the shareholders' meeting notice, proxy form, relevant proposals for approval, discussion items, and the reasons and explanatory materials for matters such as the appointment or dismissal of directors, and transmit them to the Market Observation Post System. The Company shall, at least 21 days before the general shareholders' meeting or 15 days before the extraordinary shareholders' meeting, prepare electronic files of the shareholders' meeting handbook and supplementary materials and transmit them to the Market Observation Post System. However, if the Company's paid-in capital reaches NT\$100 billion or more as of the end of the most recent fiscal year, or if the combined foreign and Mainland Chinese ownership ratio recorded in the shareholder register for the general shareholders' meeting of the most recent fiscal year exceeds 30%, the electronic files mentioned above must be transmitted at least 30 days before the general shareholders' meeting. At least 15 days before the shareholders' meeting, the Company shall prepare the meeting handbook and supplementary materials for the meeting, making them available for shareholders to review at any time. These materials shall be displayed at the Company's office and at the shareholder services agency appointed by the Company.

The meeting handbook and supplementary materials shall be provided to shareholders for review on the day of the shareholders' meeting as follows:

- (1) For in-person shareholders' meetings, the materials shall be distributed at the meeting site.
- (2) For hybrid shareholders' meetings (with video assistance), the materials shall be distributed at the meeting site and transmitted as electronic files to the video conferencing platform.
- (3) For virtual shareholders' meetings, the materials shall be transmitted as electronic files to the video conferencing platform.

"Video conferencing" refers to both hybrid shareholders' meetings and fully virtual shareholders' meetings.

5.4.3 The notice and announcement should specify the reason for the meeting; if agreed by the counterpart, it may be made electronically.

The Company shall specify in the meeting notice the registration time, registration location, and other important matters for shareholders, solicitors, and proxy agents (hereinafter referred to as shareholders).

When the Company holds a meeting via video conference, the meeting notice shall include the items listed in Article 44-21 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

- 5.4.4 The following matters must be listed and explained in the convening notice, and cannot be raised as temporary motions: election or dismissal of directors, amendments to the Articles of Incorporation, capital reduction, application for suspension of public offering, director's conflict of interest permission, earnings capitalized as stock dividends, capital surplus capitalized as stock dividends, company dissolution, merger, division, or matters specified in Article 185, Paragraph 1 of the Taiwan Company Act, Article 26-1 and Article 43-6 of the Taiwan Securities and Exchange Act, and matters in Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers.
- 5.4.5 Shareholders who hold more than 1% of the total issued shares may propose agenda items for the Company's annual general shareholders' meeting. The Board of Directors shall include a proposal as an agenda item unless the proposal is not subject to a shareholders' meeting resolution, the proposing shareholder holds less than 1% of the shares, the proposal is submitted outside the announcement acceptance period, the proposal exceeds 300 words, or more than one proposal is submitted. Shareholders may submit advisory proposals to encourage the Company to enhance public interests or fulfill its social responsibilities. In terms of procedure, such proposals should comply with the relevant provisions of Article 172-1 of the Company Act, with a limit of one proposal. If more than one proposal is submitted, they will not be included as agenda items.
- 5.4.6 The Company shall announce the acceptance of shareholder proposals, including the method of submission (written or electronic), the acceptance location, and the acceptance period, before the stock transfer suspension date prior to the annual shareholders' meeting. The acceptance period shall not be less than ten days.
- 5.4.7 Shareholder proposals are limited to 300 words. Proposals exceeding 300 words will not be included in the agenda. The proposing shareholder must attend the annual general shareholders' meeting in person or delegate another person to attend and participate in the discussion of the proposal.
- 5.4.8 The Company shall notify the proposing shareholders of the handling results before the shareholders' meeting notice is sent. Proposals that comply with this article's provisions shall be included in the meeting notice. For shareholder proposals not included as agenda items, the Board of Directors shall explain the reasons for exclusion at the shareholders' meeting.

- 5.4.9 If the notice of the shareholders' meeting specifies the full re-election of directors and includes the date of appointment, the appointment date cannot be changed through a motion or any other means once the re-election is completed at that meeting.
- 5.5 General Principles for the Location and Time of the Shareholders' Meeting
- 5.5.1 The location for holding the physical shareholders' meeting should be at the Company's registered location or at a venue that is convenient for shareholders to attend and suitable for the shareholders' meeting. The meeting should not start earlier than 9:00 AM or later than 3:00 PM. When appointing independent directors, the location and time of the meeting should fully consider the opinions of the independent directors.
- 5.5.2 When the Company holds a video conference for the shareholders' meeting, it is not subject to the location restrictions specified in 5.5.1.
- 5.6 Proxy Attendance and Authorization for Shareholders' Meeting
- 5.6.1 Shareholders may issue a proxy form for each shareholders' meeting, provided by the Company, specifying the scope of authorization, the appointed proxy, and the authorization for the proxy to attend the shareholders' meeting.
- 5.6.2 A shareholder may issue only one proxy form, and the proxy must be limited to a single person. The proxy form must be delivered to the Company at least five days before the shareholders' meeting. In case of multiple proxy forms, the first one received will be considered valid. However, if a shareholder revokes a previous proxy before the meeting, this limitation does not apply.
- 5.6.3 After the proxy form has been delivered to the Company, if a shareholder wishes to attend the shareholders' meeting in person or exercise voting rights in writing or electronically, they must notify the Company in writing to revoke the proxy no later than two days before the meeting. If the revocation is not made within the deadline, the voting rights will be exercised by the appointed proxy.
- 5.6.4 After the proxy form has been delivered to the Company, if a shareholder wishes to attend the shareholders' meeting via video conference, they must notify the Company in writing to revoke the proxy no later than two days before the meeting. If the revocation is not made within the deadline, the voting rights will be exercised by the appointed proxy.
- 5.7 Preparation of the Signature Book and Other Documents
- 5.7.1 The Company shall provide a signature book for attending shareholders to sign in, or attending shareholders may submit a sign-in card as a substitute for signing in.
- 5.7.2 The Company shall provide the attending shareholders with the meeting handbook, annual report, attendance cards, speaking slips, voting ballots, and other meeting materials. If there is an election of directors, a separate election ballot shall also be provided.

- 5.7.3 Shareholders must attend the shareholders' meeting with their attendance cards, sign-in cards, or other attendance documents. The Company shall not arbitrarily require shareholders to provide additional proof of attendance beyond the documents mentioned. Those soliciting proxy forms must also bring identification documents for verification.
- 5.7.4 When the shareholder is a government entity or a corporation, the representative attending the shareholders' meeting is not limited to one person. When a corporation is entrusted to attend the shareholders' meeting, it may only appoint one person as its representative.
- 5.7.5 The registration process for shareholders should begin at least 30 minutes before the meeting starts. The registration area should be clearly marked, and an adequate number of competent staff should be assigned to handle the process. For virtual shareholders' meetings, registration should be conducted on the virtual meeting platform at least 30 minutes before the meeting begins. Shareholders who complete the registration process will be considered as personally attending the shareholders' meeting.
- 5.7.6 When a shareholders' meeting is held via video conferencing, shareholders who wish to attend virtually must register with the Company at least two days before the meeting.
- 5.7.7 When a shareholders' meeting is held via video conferencing, the Company shall upload the meeting agenda, annual report, and other relevant materials to the virtual meeting platform at least 30 minutes before the meeting begins and keep them accessible until the meeting concludes.
- 5.8 Chairman and Attendees of the Shareholders' Meeting
 - 5.8.1 If the shareholders' meeting is convened by the Board of Directors, the chairman shall be the Chairman of the board. If the Chairman is on leave or unable to perform their duties for any reason, they shall designate a director as their proxy. If no proxy is designated or the designated proxy is unable to perform their duties, the attending directors shall elect one among themselves to act as the proxy.
 - 5.8.2 For a shareholders' meeting convened by the Board of Directors, the Chairman of the board should preferably preside over the meeting in person. Additionally, more than half of the board members, at least one independent director, and at least one representative from each functional committee should attend. The attendance details should be recorded in the shareholders' meeting minutes.
 - 5.8.3 If a shareholders' meeting is convened by a person other than the Board of Directors, the chair shall be assumed by the convener. If there are multiple conveners, they shall elect one among themselves to preside over the meeting.

- 5.8.4 The Company may designate appointed lawyers, accountants, or relevant personnel to attend the shareholders' meeting.
- 5.9 Calculation of Attending Shares and Meeting Proceedings
- 5.9.1 The attendance at the shareholders' meeting shall be calculated based on the number of shares. The number of shares present shall be calculated based on the sign-in sheet or sign-in card submitted, as well as the number of shares registered through the video conference platform, plus the shares for which voting rights are exercised in writing or electronically.
- 5.9.2 Once the scheduled meeting time arrives, the chairman shall announce the commencement of the meeting and simultaneously disclose information such as the number of shares with no voting rights and the number of shares present. However, if shareholders holding more than half of the total issued shares are not present, the chairman may announce a postponement of the meeting, with a maximum of two postponements, and the total postponement time shall not exceed one hour. If after two postponements, shareholders representing less than one-third of the total issued shares are still not present, the chairman shall declare the meeting adjourned. In the case of a video conference shareholders' meeting, the company shall also announce the adjournment on the video conference platform.
- 5.9.3 If after two postponements, shareholders representing less than one-third of the total issued shares are still not present, and shareholders representing more than one-third of the total issued shares are present, the meeting may be treated as a provisional resolution according to Article 175, Paragraph 1 of the Company Act. The provisional resolution shall be communicated to the shareholders, and a new shareholders' meeting shall be convened within one month. For a video conference shareholders' meeting, shareholders who wish to attend via video conference must re-register with the Company as per Section 5.7.6.
- 5.9.4 Before the conclusion of the meeting, if the number of shares represented by the attending shareholders reaches more than half of the total issued shares, the chairman may make a provisional resolution and, in accordance with Article 174 of the Company Act, submit it again for a vote at the shareholders' meeting.
- 5.10 Recording and Preservation of Shareholders' Meeting Process
- 5.10.1 The Company shall continuously record the entire process of shareholder registration, the meeting, and the voting and tallying process without interruption, and the recording shall be preserved for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the recording shall be preserved until the conclusion of the litigation.

5.10.2 When the shareholders' meeting is held via video conference, the Company should record and preserve data related to shareholder registration, registration, check-in, questions, voting, and the Company's tally results. The entire video conference should be recorded continuously and without interruption. The aforementioned data and recordings should be properly preserved for the duration of the Company's existence, and the recordings should be provided to the party entrusted with handling the video conference affairs for preservation.

5.11 Proposal Discussion

5.11.1 If the shareholders' meeting is convened by the board of directors, the agenda shall be determined by the Board of Directors, and the meeting shall proceed according to the scheduled agenda. The agenda may not be changed without a resolution by the shareholders' meeting.

5.11.2 If the shareholders' meeting is convened by someone other than the Board of Directors, the same provisions in the previous paragraph shall apply.

5.11.3 The agenda set in the previous two paragraphs may not be changed before the conclusion of the meeting (including any interim motions) unless a resolution is passed. The chairman cannot unilaterally adjourn the meeting. If the chairman violates the meeting rules and announces adjournment, other members of the Board of Directors should immediately assist in electing a new chairman with the consent of a majority of attending shareholders, and the meeting should continue.

5.11.4 The chairman should provide sufficient explanation and an opportunity for discussion of the proposals and any amendments or interim motions raised by shareholders. When it is deemed that sufficient discussion has been held, the chairman may announce the cessation of discussion and proceed to a vote, arranging a reasonable amount of time for voting.

5.12 Shareholder Speaking

5.12.1 Before speaking, attending shareholders must fill out a speech request form, stating the main points of their speech, shareholder account number (or attendance certificate number), and account name. The chairman will determine the order of speeches.

5.12.2 If an attending shareholder submits a speech request form but does not speak, it will be considered as no speech. If the content of the speech does not match what is written on the speech request form, the content of the speech will prevail.

5.12.3 For each proposal, a shareholder may speak no more than twice, unless approved by the chairman. Each speech must not exceed five minutes. If a shareholder's speech violates the rules or goes beyond the topic, the chairman has the right to stop the speech.

5.12.4 When a shareholder is speaking, other shareholders may not speak or interrupt unless permission is obtained from both the chairman and the shareholder speaking. If this rule is violated, the chairman should stop the interruption.

5.12.5 When a corporate shareholder assigns more than one representative to attend the shareholders' meeting, only one representative may speak on each proposal.

- 5.12.6 After a shareholder has spoken, the chairman may personally or designate a relevant person to respond.
 - 5.12.7 When the shareholders' meeting is held via video conference, shareholders participating through video may ask questions in text form on the video conference platform between the chairman's announcement of the opening and the announcement of the adjournment. Each proposal may have no more than two questions, with each question limited to 200 words. The provisions in sections 5.12.1 to 5.12.5 do not apply.
 - 5.12.8 If the questions in the previous paragraph do not violate the rules or exceed the scope of the proposal, the questions should be disclosed on the video conference platform for all shareholders to see.
- 5.13 Calculation of Voting Shares and Abstention System
- 5.13.1 The voting at the shareholders' meeting shall be based on the number of shares.
 - 5.13.2 For resolutions at the shareholders' meeting, the shares without voting rights are not included in the total number of issued shares.
 - 5.13.3 Shareholders who have a personal interest in the matters discussed at the meeting, which may harm the interests of the Company, shall not participate in the voting and shall not exercise voting rights on behalf of other shareholders.
 - 5.13.4 The number of shares for which voting rights are not exercised in accordance with the previous paragraph shall not be counted in the voting rights of the shareholders present at the meeting.
 - 5.13.5 Except for trust businesses or shareholder service agencies approved by the securities regulatory authority, when a person is entrusted by two or more shareholders, the voting rights they represent cannot exceed 3% of the total voting rights of the issued shares. Any voting rights exceeding this limit will not be counted.
- 5.14 Voting, Supervision, and Counting of Votes
- 5.14.1 Each shareholder of the Company has one voting right per share. However, the following situations will result in the shares having no voting rights:
 - 5.14.1.1 Shares held by the Company in accordance with the law.
 - 5.14.1.2 Shares held by a subsidiary of the Company, where the subsidiary holds more than half of the voting shares or total capital of the Company.
 - 5.14.1.3 Shares held by a controlling company and its subsidiaries, directly or indirectly, in another company, where the total number of voting shares or total capital of that other company exceeds half of the voting shares or total capital of the controlling company and its subsidiaries.
 - 5.14.2 When the company convenes a shareholders' meeting, shareholders may exercise their voting rights electronically or in writing. The method of

exercising voting rights, whether by written or electronic means, should be specified in the meeting notice. Shareholders exercising their voting rights by written or electronic means are considered to be present at the shareholders' meeting. However, any motions or amendments to the original agenda made during the meeting will be considered as abstentions.

- 5.14.3 For shareholders exercising their voting rights by written or electronic means, their expression of intent must be delivered to the Company at least two days prior to the shareholders' meeting. In case of multiple submissions, the first one received will prevail. However, this does not apply if a shareholder revokes their expression of intent before the submission.
- 5.14.4 If a shareholder who has exercised their voting rights by written or electronic means wishes to attend the shareholders' meeting in person or via video conference, they must revoke their previous expression of intent to exercise voting rights by the same method no later than two days before the meeting. If the revocation is not made within this timeframe, the voting rights exercised by written or electronic means will remain valid. If the shareholder has exercised their voting rights in writing or electronically and also appointed a proxy by proxy letter to attend the meeting, the voting rights exercised by the proxy will prevail.
- 5.14.5 When the Company holds a shareholders' meeting with video assistance, shareholders who have registered to attend the meeting via video conference in accordance with section 5.7.6 and wish to attend the physical shareholders' meeting in person must revoke their registration by the same method no later than two days before the meeting. If the revocation is not made within this timeframe, they may only attend the shareholders' meeting via video conference.
- 5.14.6 If a shareholder exercises their voting rights in writing or electronically and has not revoked their declaration of intent, and then participates in the shareholders' meeting via video conference, they may not exercise voting rights again on the original proposal or propose amendments to the original proposal, or vote on amendments to the original proposal, except for any motions raised during the meeting.
- 5.14.7 The resolution of a proposal at the shareholders' meeting shall be passed by the approval of more than half of the voting rights of the attending shareholders, unless otherwise specified by law or the Company's Articles of Incorporation.
- 5.14.8 If the shareholders' meeting is not held via video conference, the voting may be conducted on each agenda item in a single vote, in multiple votes, or separately on each item, depending on the situation. The results of the votes, including the number of votes for, against, and abstentions, shall be entered into the Market Observation Post System on the same day the shareholders' meeting is held.
- 5.14.9 When the shareholders' meeting is held via video conference, the vote counting

shall be conducted once after the chairman announces the conclusion of the voting, and the results of the voting and election will be announced. In the case of a video-assisted shareholders' meeting, the in-person meeting portion shall also adopt a single vote count.

5.14.10 Shareholders participating in the shareholders' meeting via video conference shall vote on each agenda item and election proposals through the video conference platform after the chairman announces the opening of the meeting. Voting must be completed before the chairman announces the end of voting; otherwise, it will be considered as an abstention. If a shareholder modifies their previously expressed voting intention on the video conference platform, it will be considered as a withdrawal of the previous intention, and the modified intention will be considered valid.

5.14.11 When there are amendments or substitute proposals for the same agenda item, the Chairman shall determine the order of voting, along with the original proposal. If one of the proposals has been approved, the other proposals shall be considered rejected and no further voting is required.

5.14.12 The personnel for monitoring and counting votes will be appointed by the chairman. However, the vote monitors must be shareholders.

5.14.13 The vote counting should be conducted publicly at the shareholders' meeting. The results of the vote should be reported immediately and recorded.

5.15 Election Item

5.15.1 When the shareholders' meeting involves the election of directors, it should be conducted according to the Company's relevant election regulations. The election results, including the list of elected directors along with the number of votes they received, as well as the list of directors who were not elected and the votes they received, should be announced on the spot.

5.15.2 The election ballots for the aforementioned election matters should be sealed and signed by the vote monitors, properly stored, and kept for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the recording shall be preserved until the conclusion of the litigation.

5.16 Meeting Minutes and Signing Matters

5.16.1 The resolutions of the shareholders' meeting shall be recorded in the meeting minutes, signed or sealed by the chairman, and distributed to all shareholders within twenty days after the meeting. The preparation and distribution of meeting minutes may be done electronically.

5.16.2 The distribution of the meeting minutes as mentioned in the previous section may be done by inputting them into the Market Observation Post System.

5.16.3 The meeting minutes should include the year, month, day, location of the meeting, the name of the chairman, the method of resolution, a summary of the

meeting proceedings, and the voting results (including the number of votes). In case of an election of directors, the votes received by each candidate should be disclosed. The meeting minutes shall be permanently preserved during the company's existence.

5.17 External Announcements

5.17.1 The number of shares held by the solicitors, the number of shares represented by proxy agents, and the number of shares for which shareholders have exercised their voting rights through written or electronic means shall be compiled into a statistical table in the required format by the Company and prominently displayed in the shareholders' meeting venue on the meeting day. For meetings held via video conference, the Company shall upload the aforementioned information to the video conference platform at least 30 minutes before the meeting begins and continue to display it until the meeting concludes.

Upon the announcement of the meeting's start, the total number of shares represented by attending shareholders should be disclosed on the video conference platform. If there are additional statistics on the total shares and voting rights of attending shareholders during the meeting, they should also be disclosed.

5.17.2 For shareholder meeting resolutions that are required by law to be reported or announced, the Company shall comply with the relevant legal provisions.

5.17.3 When the shareholders' meeting is held via video conference, the Company shall immediately disclose the voting results of each agenda item and election on the video conference platform after the voting has concluded, and shall continue to disclose the results for at least 15 minutes after the chairman announces the adjournment of the meeting.

5.18 Maintenance of Order at the Meeting Venue

5.18.1 The staff handling the shareholders' meeting shall wear identification badges or armbands.

5.18.2 The chairman may direct the inspectors or security personnel to assist in maintaining order at the venue. When assisting in maintaining order, the inspectors or security personnel must wear armbands or identification badges labeled "Inspector."

5.18.3 If there is amplification equipment at the venue, the chairman may stop shareholders from speaking if they are not using the equipment provided by the Company.

5.18.4 If a shareholder violates the meeting rules and refuses to comply with the chairman's correction, disrupting the meeting, and continues to do so after being stopped, the chairman may direct the inspectors or security personnel to remove the shareholder from the venue.

5.19 Adjournment and Continuation of the Meeting

- 5.19.1 During the meeting, the chairman may announce a break at their discretion. In case of unavoidable circumstances, the chairman may decide to temporarily suspend the meeting and, depending on the situation, announce the time for the meeting to resume.
- 5.19.2 If the meeting venue becomes unavailable before the agenda (including any motions) is completed, the shareholders' meeting may decide to find a new venue to continue the meeting.
- 5.19.3 In accordance with Article 182 of the Company Act, the shareholders' meeting may decide to postpone or continue the meeting within five days.

5.20 Location of the Chairman and Recorder in a Virtual Shareholders' Meeting

When the Company holds a virtual shareholders' meeting, the chairman and the recorder must be at the same location within the country, and the chairman must announce the address of the location at the beginning of the meeting.

5.21 Handling of Disruptions

- 5.21.1 When the company holds a virtual shareholders' meeting, the chairman must announce at the beginning of the meeting that if, due to natural disasters, events, or other force majeure circumstances, there is an issue with the video conferencing platform or the video participation, and the issue cannot be resolved within thirty minutes, the meeting should be postponed or continued within five days. This rule is not subject to the provision of Article 182 of the Company Act, which requires a shareholders' meeting resolution before such actions can be taken.
- 5.21.2 In the event of a postponed or continued meeting as per the previous item, shareholders who did not register for virtual participation in the original shareholders' meeting may not participate in the postponed or continued meeting.
- 5.21.3 If the meeting is postponed or continued according to item 5.21.1, shareholders who registered for virtual participation in the original meeting and completed the check-in but did not attend the postponed or continued meeting will have their shares, exercised voting rights, and election rights from the original meeting counted towards the total number of shares, voting rights, and election rights at the postponed or continued meeting.
- 5.21.4 When a shareholders' meeting is postponed or continued in accordance with item 5.21.1, resolutions that have already been voted on, with the voting results and election outcomes (including the list of elected directors) announced, do not need to be discussed or resolved again.

- 5.21.5 If a virtual-assisted shareholders' meeting encounters the situation outlined in item 5.21.1 where the video conference cannot continue, and after deducting the number of shares represented by shareholders participating via video, the total number of shares present still meets the legal quorum for the meeting, the shareholders' meeting will continue without the need to postpone or continue the meeting in accordance with item 5.21.1.
- 5.21.6 In the event described in 5.21.5 where the meeting should continue, shareholders participating in the meeting via video will have their shares counted as part of the total number of shares present, but for all agenda items in that meeting, their votes will be considered abstentions.
- 5.21.7 When the Company postpones or continues a meeting under 5.21.1, the postponed or continued meeting retains its identity as the original shareholders' meeting, and therefore, no new preparatory procedures for the shareholders' meeting need to be carried out.
- 5.21.8 Publicly listed companies must comply with relevant provisions regarding proxy forms, including the latter part of Article 12 and Article 13, Paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, as well as Article 44-5, Paragraph 2, Article 44-15, and Article 44-17, Paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies. Such meetings postponed or continued under 5.21.1 will still be subject to the relevant disclosure announcements.

5.22 These rules shall be implemented upon approval by the shareholders' meeting, and the same procedure shall apply for any amendments.

6. Attachments: None.

LU HAI HOLDING CORP.**Regulations Governing the Acquisition and Disposal of Assets (Pre-Amendment)**

1. Purpose: To enhance the Company's asset management and ensure full public disclosure, this operational procedure is established in accordance with Article 36-1 of the Taiwan Securities and Exchange Act and the relevant provisions of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.

Any matters not covered in this procedure shall be handled in accordance with applicable laws and regulations.

2. Scope: The types of assets covered under this procedure include:
 - 2.1. Marketable Securities: Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing fund interests, depositary receipts, warrants, beneficiary certificates, and asset-backed securities.
 - 2.2. Real Estate: Includes land, buildings, construction, investment properties, and inventory of construction businesses.
 - 2.3. Membership Certificates.
 - 2.4. Intangible Assets: Includes patents, copyrights, trademarks, franchise rights, and other intangible assets.
 - 2.5. Right-of-Use Assets.
 - 2.6. Claims from Financial Institutions: Includes accounts receivable, foreign exchange discounting and loans, and collection receivables.
 - 2.7. Derivative Financial Products.
 - 2.8. Assets Acquired or Disposed of through Mergers, Divisions, Acquisitions, or Share Transfers in Accordance with Law.
 - 2.9. Other Significant Assets.
3. Definition:
 - 3.1. Derivative Financial Products: Refers to forward contracts, options contracts, futures contracts, margin trading contracts, swap contracts, combinations of the aforementioned contracts, or structured products that embed derivative instruments. The value of these products is derived from specific interest rates, financial instrument prices, commodity prices, exchange rates, price or rate indices, credit ratings or credit indices, or other variables. The term “forward contracts” excludes insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, and long-term purchase (sales) contracts.
 - 3.2. Assets Acquired or Disposed of through Mergers, Divisions, Acquisitions, or Share Transfers in Accordance with Law: Refers to assets acquired or disposed of through mergers, divisions, or acquisitions conducted in accordance with the Taiwan Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions

Merger Act, or other applicable laws, as well as through the issuance of new shares to acquire shares of another company pursuant to Article 156-3 of the Company Act (hereinafter referred to as “Share Transfer”).

- 3.3. Related Parties and Subsidiaries: Shall be determined in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
 - 3.4. Professional Appraisers: Refers to real estate appraisers or other individuals legally authorized to conduct real estate and equipment appraisal services.
 - 3.5. Date of Occurrence: Refers to the earliest of the following dates: contract signing date, payment date, transaction commission date, transfer date, board resolution date, or any other date that definitively determines the transaction counterparty and transaction amount. However, for investments requiring approval from the competent authority, the earlier of the aforementioned dates or the date of receiving such approval shall prevail.
 - 3.6. Investment in Mainland China: Refers to investments or technology cooperation conducted in Mainland China in accordance with the regulations set forth by the Department of Investment Review of Taiwan’s Ministry of Economic Affairs.
 - 3.7. Professional Investment Institutions: Refers to financial holding companies, banks, insurance companies, bills finance companies, trust businesses, securities firms engaged in proprietary trading or underwriting, futures dealers engaged in proprietary trading, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, all of which are legally established and regulated by the local financial supervisory authority.
 - 3.8. Stock Exchange: Domestic Stock Exchange: Refers to the Taiwan Stock Exchange Corporation; Foreign Stock Exchange: Refers to any organized securities trading market regulated by the securities supervisory authority of the respective country.
 - 3.9. Securities Dealers' Business Premises: Domestic Business Premises: Refers to the designated counters set up by securities firms in accordance with Taiwan’s regulations on securities dealers’ business premises for securities trading; Foreign Business Premises: Refers to the business premises of financial institutions engaged in securities operations and regulated by foreign securities supervisory authorities.
4. Responsible Unit:
- 4.1 The acquisition, sale, disposal, and investment of real estate, equipment, usage rights, and securities by the Company shall be handled in accordance with the transaction limits specified in Section 5 of these procedures.
 - 4.2 When acquiring or disposing of real estate, equipment, or usage rights, the approval process outlined in Section 5.1 of these procedures must be followed. Upon approval, the execution shall be carried out by the relevant user department and the general affairs unit.
 - 4.3 When engaging in securities investment, the approval process specified in Section 5.2 (Procedures for Acquiring or Disposing of Securities Investments) must be followed. Upon approval, the execution shall be carried out by the finance and accounting unit.

4.4 Derivative Transactions by the Company:

4.4.1 Finance and Accounting Unit:

4.4.1.1 Responsible for formulating the overall foreign exchange operation strategy of the Company.

4.4.1.2 In response to foreign exchange market fluctuations, the finance department shall continuously collect relevant information, assess trends and risks, familiarize itself with financial products and legal regulations, and consider the Company's foreign exchange positions. A strategic operation plan shall be prepared and submitted for approval by the General Manager as the basis for risk hedging.

4.4.1.3 Regularly calculate realized and potential future exposure to risks and, within the authorized limits, execute various hedging transactions.

4.4.2 Accounting Unit:

4.4.2.1 For derivative transactions undertaken by the finance unit to achieve hedging objectives, the transaction and settlement documents should be verified against the transaction details provided by the finance department, and appropriate accounting treatment should be performed.

4.4.2.2 Send confirmation letters for each transaction to the counterparties and brokers to ensure the accuracy of the transaction details, and reconcile the confirmation data with the existing transaction contracts.

5. Operational Content:

5.1 Procedures for Acquiring or Disposing of Real Estate, Equipment, or Assets Related to Their Usage Rights

5.1.1 Procedure for Determining Authorization Limits:

5.1.1.1 The procedure for determining authorization limits for the acquisition or disposal of real estate or its usage rights involves considering factors such as the announced market value, appraised value, and the actual transaction prices of nearby properties to decide the transaction terms and price. An analysis report should be prepared and submitted to the General Manager. For amounts of NT\$10 million (inclusive) or below, approval must be obtained from the Executive VP; for amounts of NT\$15 million (inclusive) or below, approval must be obtained from the General Manager; for amounts between NT\$20 million (inclusive) or below, approval must be obtained from the Chairman; and for amounts exceeding NT\$20 million, approval must be obtained from the Chairman, followed by submission to the Board of Directors for approval. The acquisition or disposal of real estate or its usage rights from related parties, regardless of the amount, must be approved by the Board of Directors before proceeding.

- 5.1.1.2 The acquisition or disposal of equipment or its usage rights should be conducted through one of the following methods: inquiry, price comparison, negotiation, or tendering. For amounts of NT\$10 million (inclusive) or below, approval must be obtained from the Executive VP; for amounts of NT\$15 million (inclusive) or below, approval must be obtained from the General Manager; for amounts of NT\$20 million (inclusive) or below, approval must be obtained from the Chairman; and for amounts exceeding NT\$20 million, approval must be obtained from the Chairman, followed by submission to the Board of Directors for approval.
- 5.1.1.3 If the acquisition or disposal of assets by the Company requires approval by the Board of Directors according to the established procedures or other legal regulations, and if any director expresses dissent with a record or written statement, the Company shall submit the dissenting director's information to the Audit Committee for review. If the Company has appointed independent directors, when submitting an acquisition or disposal of assets for discussion by the Board of Directors, the opinions of the independent directors should be fully considered. If any independent director expresses dissent or reservations, such opinions should be clearly documented in the minutes of the Board meeting.

5.1.2 Real Estate, Equipment, or Right-of-Use Asset Valuation Report

When the company acquires or disposes of real estate, equipment, or their usage rights assets, except in transactions with government agencies in Taiwan, land development or lease development, or the acquisition or disposal of equipment or usage rights assets for business purposes, if the transaction amount reaches 20% of the company's paid-in capital or exceeds NTD 300 million, a valuation report from a professional appraiser must be obtained prior to the occurrence of the transaction. The valuation report should comply with the following regulations:

- 5.1.2.1 If the transaction price is based on a restricted price, specific price, or special price due to special circumstances, the transaction must be approved by a board resolution before proceeding. The same applies if there are any subsequent changes to the transaction conditions.
- 5.1.2.2 If the transaction amount exceeds NTD 1 billion, the Company must request valuation from at least two professional appraisers.
- 5.1.2.3 If the valuation results from the professional appraiser show any of the following situations, except where the valuation result for the asset acquired is higher than the transaction amount or the valuation result for the asset disposed is lower than the transaction amount, the Company should request an accountant to provide a specific opinion on the reasons for the discrepancy and the appropriateness of the transaction price:
- 5.1.2.3.1 The difference between the valuation result and the transaction amount exceeds 20% of the transaction amount.

5.1.2.3.2 The difference between the valuation results from two or more professional appraisers exceeds 10% of the transaction amount.

5.1.2.4 The report date issued by the professional appraiser and the contract formation date shall not exceed three months. However, if the applicable market value is the same for the same period and does not exceed six months, the original professional appraiser may issue an opinion letter.

5.1.2.5 If the Company acquires or disposes of assets through a court auction procedure, the proof document issued by the court may replace the valuation report or the accountant's opinion.

5.2 Procedures for Acquiring or Disposing of Securities Investments

5.2.1 Procedures for Determining Transaction Terms and Authorization Limits

5.2.1.1. For the purchase and sale of securities on the centralized trading market or at securities firms' business locations, the responsible department shall decide based on market conditions. For amounts of NT\$10 million (inclusive) or below, approval must be obtained from the Executive VP; for amounts of NT\$15 million (inclusive) or below, approval must be obtained from the General Manager; for amounts of NT\$20 million (inclusive) or below, approval must be obtained from the Chairman; and for amounts exceeding NT\$20 million, approval must be obtained from the Chairman, followed by submission to the Board of Directors for approval.

5.2.1.2. For the purchase and sale of securities outside the centralized trading market or securities firms' business locations, the most recent financial statements of the target company, audited or reviewed by an accountant, should be obtained as a reference for evaluating the transaction price. Factors such as net asset value per share, profitability, and future development potential should be considered. For amounts of NT\$10 million (inclusive) or below, approval must be obtained from the Executive VP; for amounts of NT\$15 million (inclusive) or below, approval must be obtained from the General Manager; for amounts of NT\$20 million (inclusive) or below, approval must be obtained from the Chairman; and for amounts exceeding NT\$20 million, approval must be obtained from the Chairman, followed by submission to the Board of Directors for approval.

5.2.1.3. If the acquisition or disposal of assets by the Company requires approval by the Board of Directors according to the established procedures or other legal regulations, and if any director expresses dissent with a record or written statement, the Company shall submit the dissenting director's information to the Audit Committee for review. If the Company has appointed independent directors, when submitting an acquisition or disposal of assets for discussion by the Board of Directors, the opinions of the independent directors should be fully considered. If any independent director expresses dissent or reservations, such opinions should be clearly documented in the minutes of the Board meeting.

5.2.2 Obtaining Expert Opinions:

5.2.2.1 When the Company acquires or disposes of securities, it must obtain the most recent financial statements of the target company that have been audited or reviewed by an accountant, prior to the transaction, to assess the transaction price. Additionally, for transactions where the amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company must consult an accountant before the transaction occurs to obtain an opinion on the reasonableness of the transaction price. However, if the securities have an active market with public quotations or if the Taiwan Financial Supervisory Commission has other regulations, this requirement does not apply.

5.2.2.2 If the Company acquires or disposes of assets through a court auction procedure, the proof document issued by the court may replace the valuation report or the accountant's opinion.

5.3 Procedures for Acquiring or Disposing of Intangible Assets, Their Usage Rights, or Membership Certificate Investments

If the Company acquires or disposes of intangible assets, their usage rights, or membership certificate transactions with an amount reaching 20% of the Company's paid-in capital or NT\$300 million or more, except for transactions with domestic government agencies in Taiwan, an accountant must be consulted to provide an opinion on the reasonableness of the transaction price before the occurrence of the transaction. For amounts of NT\$10 million (inclusive) or below, approval must be obtained from the Executive VP; for amounts of NT\$15 million (inclusive) or below, approval must be obtained from the General Manager; for amounts of NT\$20 million (inclusive) or below, approval must be obtained from the Chairman; and for amounts exceeding NT\$20 million, approval must be obtained from the Chairman, followed by submission to the Board of Directors for approval.

The calculation of the transaction amount for 5.1, 5.2, and 5.3. shall be handled in accordance with the provisions of 5.7.1.8. The term "within one year" refers to the period starting from the date the current transaction occurs and traces back one year. Any portion that has already obtained a professional appraisers' report or accountant's opinion as required by the regulations need not be included in the calculation again.

5.4 Procedures for Handling Related Party Transactions

When the Company acquires or disposes of assets with related parties, in addition to following the procedures outlined in 5.1 for the acquisition or disposal of real estate, equipment, or usage rights assets, and adhering to the relevant decision-making procedures and evaluating the reasonableness of the transaction terms, if the transaction amount exceeds 10% of the Company's total assets, the Company must also obtain a valuation report from a professional appraiser or an accountant's opinion as stipulated in 5.1. The calculation of the transaction amount shall be conducted according to the provisions of 5.7.1.8. Additionally, when determining whether the transaction counterparty is a related party, the Company should not only consider the legal form but also assess the substantive relationship.

5.4.1 Assessment and Operational Procedures:

When the Company acquires or disposes of real estate or its usage rights assets from or to a related party, or when the Company acquires or disposes of other assets from or to a related party and the transaction amount exceeds 20% of the Company's paid-in capital, 10% of total assets, or NTD 300 million, except for transactions involving the purchase or sale of Taiwan domestic government bonds, bonds with repurchase or reverse repurchase conditions, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises, the following procedures must be followed: The matter must first be agreed upon by more than half of the members of the Audit Committee and then be submitted to the Board of Directors for approval before a transaction contract can be signed and payments made; If the Company has independent directors, their opinions must be fully considered. If any independent director has objections or reservations, these should be recorded in the minutes of the board meeting. For transactions conducted by the Company or subsidiaries that are not publicly listed in Taiwan and where the transaction amount exceeds 10% of the Company's total assets, the following data must be submitted to the shareholder meeting for approval before the transaction contract can be signed and payments made. However, transactions between the Company and its parent company, subsidiaries, or between subsidiaries are not subject to this requirement.

- 5.4.1.1 The purpose, necessity, and expected benefits of acquiring or disposing of the asset.
- 5.4.1.2 The reasons for selecting a related party as the transaction counterparty.
- 5.4.1.3 When acquiring real estate or its usage rights assets from a related party, the relevant information for evaluating the reasonableness of the proposed transaction terms, as specified in sections 5.4.2.1., 5.4.2.2., 5.4.2.5., and 5.4.2.6. of this regulation.
- 5.4.1.4 The original acquisition date and price of the asset by the related party, the transaction counterparty, and the relationship between the Company, the related party, and the counterparty.

- 5.4.1.5 A cash flow forecast for each month during the upcoming year, starting from the expected contract signing month, and an assessment of the necessity of the transaction and the reasonableness of the capital utilization.
- 5.4.1.6 The valuation report issued by a professional appraiser obtained in accordance with the provisions of the first paragraph of 5.4, or the opinion of the accountant.
- 5.4.1.7 The restrictions and other important terms and conditions of the transaction.

The Company, between itself and its parent company, subsidiaries, or subsidiaries directly or indirectly holding 100% of the issued shares or total capital, may acquire or dispose of equipment or their usage rights for business purposes, as well as acquire or dispose of real estate usage rights for business purposes. The Board of Directors may authorize the Chairman to make decisions up to NT\$20 million in advance, with subsequent reporting to the most recent Board of Directors for ratification.

The calculation of the transaction amount shall be carried out in accordance with the provisions of 5.7.1.8, and the term “within one year” shall be based on the date when the transaction fact occurs, with the year being traced back from that date. The portion that has already been submitted for approval by the Audit Committee, Board of Directors, and Shareholders' Meeting in accordance with the provisions of these guidelines shall not be counted again.

5.4.2 Evaluation of the Reasonableness of Transaction Costs for Acquiring Real Estate or Its Use Rights from Related Parties:

- 5.4.2.1 The transaction price from related parties should be increased by the necessary financing interest and costs that the buyer is legally obligated to bear. The necessary financing interest cost shall be calculated based on the Company's weighted average interest rate of the loans obtained in the year of asset acquisition, but it shall not exceed the maximum borrowing rate for non-financial industries published by the Ministry of Finance.
- 5.4.2.2 If the related party has previously used the subject asset as collateral for a loan from a financial institution, the loan assessment value of the asset by the financial institution shall be considered. However, the actual cumulative loan value from the financial institution must reach at least 70% of the assessed loan value, and the loan period must exceed one year. This does not apply if the financial institution and one of the parties to the transaction are related parties.

- 5.4.2.3 In the case of purchasing or leasing both land and buildings of the same property, the transaction costs may be assessed separately for the land and buildings according to any of the methods listed in the previous section.
- 5.4.2.4 When the Company acquires real estate or its usage rights from a related party, the cost of the real estate or its usage rights shall be evaluated in accordance with sections 5.4.2.1 to 5.4.2.3 of these regulations, and the Company should request an audit from an accountant to review and provide specific opinions.
- 5.4.2.5 When the evaluation results of the Company's acquisition of real estate or its usage rights from a related party, in accordance with sections 5.4.2.1 to 5.4.2.3 of these regulations, are lower than the transaction price, the Company shall proceed according to the provisions of section 5.4.2.6 of these regulations. However, if there are the following circumstances, and the Company provides objective evidence and obtains specific reasonable opinions from real estate professional appraisers and accountants, this provision does not apply:
- 5.4.2.5.1 If the related party acquires raw land or leased land for further development, they may provide evidence that meets one of the following conditions:
- 5.4.2.5.1.1 The raw land is evaluated according to the methods specified in sections 5.4.2.1 to 5.4.2.4 and 5.4.2.9, while the building is evaluated based on the related party's construction cost plus a reasonable construction profit. The total should exceed the actual transaction price. The term "reasonable construction profit" should be based on the average gross profit margin of the related party's construction department over the last three years or the most recent construction industry gross margin published by the Ministry of Finance, whichever is lower.
- 5.4.2.5.1.2 Other non-related party transaction cases within one year for the same property or in nearby areas, with similar size and transaction conditions, assessed based on reasonable floor or area price differences in accordance with real estate transaction or leasing norms.

- 5.4.2.5.2 The Company provides evidence that the transaction conditions of the real estate purchased from or leased from the related party are comparable to other non-related party transactions in nearby areas within one year and with similar size.
- 5.4.2.6 The “nearby area transaction cases” referred to in section 5.4.2.5.2 should be within the same or adjacent block and within a radius of no more than 500 meters from the transaction object, or have similar public market value. The “similar size” means that the area of other non-related party transaction cases should not be less than 50% of the area of the transaction object. The “one year” mentioned above should be based on the date of the acquisition of the real estate or its usage rights asset, with a one-year look-back period.
- 5.4.2.7 If the evaluation results of the real estate or its usage rights assets obtained from a related party, based on the methods outlined in sections 5.4.2.1 to 5.4.2.6 and 5.4.2.9 of these regulations, are lower than the transaction price, the following actions should be taken. If the Company and publicly listed companies that are evaluated using the equity method for investment in the company have set aside special retained earnings as per the aforementioned regulations, they must wait until the assets purchased or leased at a high price have recognized impairment losses, been disposed of, the lease contract terminated, or appropriate compensation or restoration has occurred, or other evidence confirms there is no unreasonable situation. Only then, with the approval of the competent authority, can the special retained earnings be used.
- 5.4.2.7.1 The Company must set aside special retained earnings for the difference between the real estate transaction price or its usage rights asset price and the assessed cost, in accordance with Article 41, Paragraph 1 of the Taiwan Securities and Exchange Act. These special retained earnings cannot be distributed or used for capital increases through stock issuance. For investors in the Company, evaluated using the equity method, if they are publicly listed companies, they must also set aside special retained earnings in proportion to their shareholding based on the same provision of Article 41, Paragraph 1 of the Taiwan Securities and Exchange Act.
- 5.4.2.7.2 The Audit Committee shall handle this in accordance with Article 218 of the Taiwan Company Act.
- 5.4.2.7.3 The handling of the matters in Sections 5.4.2.7.1 and 5.4.2.7.2 should be reported to the shareholders' meeting, and the detailed transaction information should be disclosed in the annual report and the public offering prospectus.

- 5.4.2.8 If there is other evidence showing that a transaction with a related party for real estate or its usage rights is inconsistent with normal business practices, it should also be handled according to the provisions of Section 5.4.2.7 of these regulations.
- 5.4.2.9 If any of the following circumstances apply when the Company acquires real estate or its usage rights from a related party, the Company should follow the procedures outlined in Section 5.4.1 and the provisions of this Section 5.4.2.1 to 5.4.2.4 regarding the evaluation of transaction cost reasonableness do not apply:
- 5.4.2.9.1 The related party acquires real estate or its usage rights through inheritance or donation.
- 5.4.2.9.2 The related party signed a contract to acquire real estate or its usage rights more than five years before the date of the current transaction.
- 5.4.2.9.3 The Company signs a co-construction agreement with a related party or entrusts the related party to construct real estate on self-owned or leased land and acquires the real estate.
- 5.4.2.9.4 The Company acquires real estate usage rights assets for business use from its parent company, subsidiary, or a subsidiary directly or indirectly holding 100% of the issued shares or total capital.

5.5 Procedures for Acquiring or Disposing of Derivative Financial Instruments

- 5.5.1 **Transaction Types:** The Company may engage in derivative financial instruments, including forward contracts, options, interest rate and exchange rate swaps, futures, and complex contracts formed by combining the aforementioned products.
- 5.5.2 **Business and Hedging Strategy:** The Company engages in derivative financial instrument transactions primarily for hedging purposes. The selected products should focus on mitigating the risks arising from the Company's business operations, and the currencies held must match the Company's actual foreign currency demand for import and export transactions.
- 5.5.3 **Transaction Limits:**
- 5.5.3.1 **Hedging Transaction Limit:** The Company must submit the hedging transaction limits for approval by the Board of Directors or within the authorized limits granted by the board before proceeding. The total contract value for hedging operations shall not exceed the Company's current foreign currency net position (including the net position expected to arise in the future).
- 5.5.3.2 **Other Specific Purpose Transactions:** These transactions can only proceed after being approved by the Board of Directors.

5.5.3.3 If the acquisition or disposal of assets by the Company requires approval by the Board of Directors according to the established procedures or other legal regulations, and if any director expresses dissent with a record or written statement, the Company shall submit the dissenting director's information to the Audit Committee for review. If the Company has appointed independent directors, when submitting an acquisition or disposal of assets for discussion by the Board of Directors, the opinions of the independent directors should be fully considered, and such opinions should be clearly documented in the minutes of the Board meeting.

5.5.4 Performance Evaluation:

5.5.4.1 Hedging Transactions: The performance evaluation will be based on the exchange (interest) rate costs on the Company's books and the gains or losses generated from engaging in derivative financial transactions. The evaluation will be conducted at least twice a month and presented for management's reference.

5.5.4.2 Other Specific Purpose Transactions: The performance evaluation will be based on the actual gains or losses generated. The evaluation will be conducted at least once a week and presented for management's reference.

5.5.5 Overall and Individual Contract Loss Limit:

The total or individual contract loss amount for derivative transactions engaged by the Company shall not exceed 20% of the total or individual contract amount. If the loss exceeds this limit, it must be immediately reported to the general manager and presented to the Board of Directors for discussion of necessary countermeasures. Furthermore, the Company must disclose the information in accordance with Article 31, Paragraph 1, Subparagraph 3 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" in Taiwan.

5.5.6 Risk Management Measures:

5.5.6.1 Credit Risk:

5.5.6.1.1 The counterparties for transactions should be selected based on the Company's established relationship with reputable banks or relevant financial institutions that can provide professional information.

5.5.6.1.2 The products for transactions should be limited to those offered by internationally renowned banks.

5.5.6.2 Market Risk:

Hedging operations should be conducted based on the main positions of the Company's accounts to mitigate potential market risks.

5.5.6.3 Liquidity Risk:

To ensure market liquidity, financial products with higher liquidity (i.e., those that can be easily unwound in the market) should be prioritized when selecting financial instruments. The entrusted financial institutions must have sufficient facilities, information, and trading capabilities to conduct transactions at any time in any market.

5.5.6.4 Operational Risk:

5.5.6.4.1 The Company must strictly follow the authorized limits, operational procedures, and internal audits to avoid operational risks.

5.5.6.4.2 Personnel involved in derivative product trading, as well as those responsible for confirmation and settlement, must not hold overlapping duties.

5.5.6.4.3 Personnel responsible for risk measurement, supervision, and control must be from different departments than those in 5.5.6.4.2 and should report to the Board of Directors or senior executives not responsible for trading or position decisions.

5.5.6.5 Legal Risk:

Any documents signed with banks must be reviewed by legal counsel before formal execution to mitigate legal risks.

5.5.6.6 Product Risk:

Internal trading personnel must possess comprehensive and accurate professional knowledge of financial products, and banks must fully disclose risks to prevent the misuse of financial products.

5.5.6.7 Cash Flow Risk:

Authorized trading personnel must strictly adhere to the designated transaction limits and continuously monitor the Company's cash flow in both TWD and foreign currencies to ensure sufficient funds for settlement.

5.5.7 Internal Audit System:

5.5.7.1 Internal audit personnel shall periodically assess the adequacy of internal controls for derivative transactions. They must conduct monthly audits to verify the trading department's compliance with derivative transaction procedures, analyze transaction cycles, and prepare audit reports. If any significant violations are found, they shall notify the Audit Committee in writing.

5.5.7.2 Internal audit personnel shall submit the audit report, along with the annual internal audit review, to the relevant Taiwan regulatory authority by the end of February of the following year. Any corrective actions for

identified anomalies shall be reported to the regulatory authority no later than the end of May of the following year.

5.5.8 Periodic Evaluation Method:

The Board of Directors shall authorize senior management to regularly oversee and evaluate whether derivative transactions are conducted in accordance with the Company's established procedures, and whether the associated risks remain within the permissible limits. In cases where market valuation reports indicate anomalies (such as when held positions exceed the loss limit), an immediate report must be submitted to the Board of Directors, along with appropriate response measures.

5.5.9 Supervision and Management Principles of the Board of Directors for Derivative Transactions

5.5.9.1 The Board of Directors shall designate senior management personnel to continuously monitor and control the risks associated with derivative transactions. The management principles are as follows:

5.5.9.1.1 Regularly assess whether the current risk management measures are appropriate and ensure compliance with Taiwan's "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and the Company's internal management procedures for derivative transactions.

5.5.9.1.2 Supervise transaction performance and profitability. If any abnormal situations arise, necessary response measures must be taken immediately, and the Board of Directors must be informed. If the Company has independent directors, they shall attend Board meetings and express their opinions on the matter.

5.5.9.2 Regularly evaluate whether the performance of derivative transactions aligns with the Company's established business strategy and whether the associated risks remain within the acceptable limits set by the Company.

5.5.9.3 When conducting derivative transactions, if authorized personnel handle the transactions in accordance with the established procedures, a report shall be submitted to the most recent Board of Directors meeting afterward.

5.5.9.4 The Company shall establish the 2-IF05-HH-01 AA "Derivative Product Record Book," where details of derivative transactions, including transaction types, amounts, the date of Board approval, and the evaluation criteria stipulated in Sections 5.5.4, 5.5.9.1, and 5.5.9.2 of this policy, shall be meticulously recorded for reference.

5.5.10 If any subsidiary of the Company engages in derivative transactions due to business needs, it shall comply with the provisions of this management policy.

5.5.11 Announcement and Reporting Procedures:

After the Company is listed on the stock exchange or over-the-counter (OTC) market, it shall, on a monthly basis, announce and report to the relevant Taiwan authorities the total outstanding transaction contract amount, net gains or losses based on market valuation, amount of margin deposits paid, total transaction contract amount settled or delivered in the previous month, and realized gains or losses for both the Company and its subsidiaries, along with the monthly operational report.

5.5.12 Accounting Method:

The accounting method for the Company's derivative financial transactions shall be handled in accordance with the International Financial Reporting Standards (IFRS) No. 9 "Financial Instruments."

5.6 Procedures for Mergers, Divisions, Acquisitions, or Share Transfers

5.6.1 Assessment and Operational Procedures:

5.6.1.1 When the Company carries out mergers, divisions, acquisitions, or share transfers, it should engage lawyers, accountants, and underwriters to jointly discuss the legal procedures and proposed timeline. A project team should be formed to execute the procedures according to the legal requirements. Before convening the Board of Directors for a resolution, the Company should ask the accountants, lawyers, or securities underwriters to provide opinions on the fairness of the stock exchange ratio, acquisition price, or the cash or other assets to be distributed to shareholders. These opinions should be presented to the Board of Directors for discussion and approval. However, when the Company merges with a subsidiary in which it directly or indirectly holds 100% of the issued shares or total capital, or when there is a merger between subsidiaries in which the company directly or indirectly holds 100% of the issued shares or total capital, it is not required to obtain the fairness opinion from the aforementioned experts.

5.6.1.2 The Company shall prepare a public document to shareholders detailing the key agreements and related matters of the merger, division, or acquisition before the shareholders' meeting. This document, along with the expert opinions as per section 5.6.1.1 of this management procedure and the notice of the shareholders' meeting, shall be delivered to shareholders as a reference for deciding whether to approve the merger, division, or acquisition proposal. However, this does not apply to cases where, according to other legal provisions, it is not required to convene a shareholders' meeting to resolve matters related to mergers, divisions, or acquisitions. In addition, if any of the companies participating in the merger, division, or acquisition is unable to convene or resolve the matter at its shareholders' meeting due to insufficient attendance, voting rights, or other legal restrictions, or if the proposal is rejected by the shareholders' meeting, the participating companies must immediately

make a public announcement explaining the reasons for the failure, the subsequent handling procedures, and the expected date for reconvening the shareholders' meeting.

5.6.2 Other Matters to be Noted:

5.6.2.1 Unless otherwise stipulated by law or with prior approval from the competent authority due to special circumstances, the companies participating in the merger, division, or acquisition should convene both the board of directors and the shareholders' meeting on the same day to resolve the matters related to the merger, division, or acquisition.

5.6.2.2 Unless otherwise stipulated by law or with prior approval from the competent authority due to special circumstances, the companies participating in the share transfer should convene the Board of Directors on the same day.

5.6.2.3 Companies participating in mergers, divisions, acquisitions, or share transfers that are listed or whose stocks are traded at securities firms' business premises must prepare a complete written record of the following information and retain it for five years for auditing purposes:

5.6.2.3.1 Personnel basic information: This includes the title, name, and identification number (passport number for foreigners) of all individuals involved in the merger, division, acquisition, or share transfer plan or its execution prior to the public disclosure of the information.

5.6.2.3.2 Important dates: This includes the dates of signing of letters of intent or memorandums, appointment of financial or legal advisors, signing of contracts, and board meetings.

5.6.2.3.3 Important documents and meeting minutes: This includes documents such as the merger, division, acquisition, or share transfer plan, letters of intent or memorandums, key contracts, and minutes of board meetings.

5.6.2.4 Companies involved in a merger, demerger, acquisition, or share transfer that are listed or whose stocks are traded at securities firms' business locations should, within two days from the date of the board resolution, report the information mentioned in 5.6.2.3.1 and 5.6.2.3.2, in the prescribed format, through an internet information system to the relevant Taiwanese authority for record-keeping.

5.6.2.5 If any company participating in a merger, division, acquisition, or share transfer is not listed or traded on securities firms' business locations, the listed or traded company must sign an agreement with such companies and comply with the procedures outlined in 5.6.2.3. and 5.6.2.4.

5.6.2.6 All individuals involved or aware of the Company's merger, division,

acquisition, or share transfer plans must provide a written confidentiality commitment. They must not disclose the contents of the plan before the information is made public, nor buy or sell the stocks or other equity securities of any company related to the merger, division, acquisition, or share transfer plan, either in their own name or through another person.

5.6.2.7 When participating in a merger, division, acquisition, or share transfer, the share exchange ratio or acquisition price shall not be arbitrarily changed, except in the following circumstances. Any such change must be stipulated in the merger, division, acquisition, or share transfer agreement:

5.6.2.7.1 In the case of cash capital increases, issuance of convertible bonds, issuance of stock dividends, issuance of bonds with warrants, issuance of preferred stocks with warrants, issuance of warrants, and other securities with equity characteristics.

5.6.2.7.2 Disposal of significant company assets or any actions that affect the Company's financial or business operations.

5.6.2.7.3 Occurrence of major disasters, technological changes, or other events that affect shareholders' rights or the Company's stock price.

5.6.2.7.4 Adjustments due to any party in the merger, division, acquisition, or share transfer repurchasing treasury stocks according to law.

5.6.2.7.5 Changes in the number of participants or entities in the merger, division, acquisition, or share transfer.

5.6.2.7.6 Other conditions specified in the agreement that can be modified, which have already been publicly announced.

5.6.2.8 The contract for the merger, division, acquisition, or share transfer should specify the rights and obligations of the companies involved in the merger, division, acquisition, or share transfer, and must include the following matters:

5.6.2.8.1 Handling of breach of contract.

5.6.2.8.2 Principles for the handling of equity securities or treasury stock issued or repurchased by the company that is eliminated or split due to the merger.

5.6.2.8.3 The quantity of treasury stock that may be repurchased by the participating company after the share exchange ratio calculation base date, and the principles for its handling.

5.6.2.8.4 Handling of changes in the number or type of participating entities.

5.6.2.8.5 Expected timeline for the plan's implementation and completion date.

5.6.2.8.6 When the plan is overdue and not completed, the related procedures for the scheduled shareholders' meeting date that should be held according to the law.

5.6.2.9 If any party of the companies involved in the merger, division, acquisition, or share transfer plans intends to merge, divide, acquire, or transfer shares with another company after the information has been publicly announced, except in cases where the number of participants decreases and the shareholders' meeting has resolved and authorized the board of directors to change the rights, the participating companies do not need to convene a new shareholders' meeting for re-approval. However, any procedures or legal actions that have been completed in the original merger, division, acquisition, or share transfer case must be re-executed by all participating companies.

5.6.2.10 If any company involved in the merger, division, acquisition, or share transfer is not a publicly listed company, the Company shall sign an agreement with it and handle the matter according to the provisions of Sections 5.6.2.1 to 5.6.2.6 and 5.6.2.9 of these regulations.

5.7 Information Disclosure Procedure

5.7.1 If the Company acquires or disposes of assets under the following circumstances, it shall, according to the nature of the transaction, announce the relevant information in the prescribed format and submit it for announcement and report to the Taiwanese regulatory authority within two days from the occurrence of the event:

5.7.1.1 Acquiring or disposing of real estate or its usage rights from related parties, or acquiring or disposing of other assets from related parties, where the transaction amount reaches 20% of the Company's paid-in capital, 10% of total assets, or more than NT\$300 million. However, the purchase and sale of domestic government bonds, bonds with buyback or sellback conditions, or subscriptions or buybacks of domestic securities investment trust funds' money market funds are not subject to this requirement.

5.7.1.2 Mergers, divisions, acquisitions, or share transfers.

5.7.1.3 Losses from derivative transactions reaching the total or individual contract loss limits set in the prescribed handling procedures.

5.7.1.4 Acquiring or disposing of equipment or its usage rights for business use, where the transaction counterparty is not a related party, and the transaction amount meets one of the following conditions:

5.7.1.4.1 For publicly listed companies with paid-in capital less than

NT\$10 billion, the transaction amount is NT\$500 million or more.

5.7.1.4.2 For publicly listed companies with paid-in capital of NT\$10 billion or more, the transaction amount is NT\$1 billion or more.

5.7.1.5 For publicly listed companies engaged in construction business, acquiring or disposing of real estate or its usage rights for construction purposes, where the counterparty is not a related party and the transaction amount reaches NT\$500 million or more; if the Company's paid-in capital is NT\$10 billion or more, the transaction amount for disposing of real estate from self-constructed completed projects, where the counterparty is not a related party, should be NT\$1 billion or more.

5.7.1.6 Acquiring real estate through self-owned land construction, leased land construction, joint construction and subdivision, joint construction and profit-sharing, or joint construction and sales methods, where the counterparty is not a related party, and the Company plans to invest an amount of NT\$500 million or more in the transaction.

5.7.1.7 Asset transactions other than those in 5.7.1.1. to 5.7.1.6., financial institutions disposing of debt rights, or engaging in investments in mainland China, where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more. However, the following circumstances are not included:

5.7.1.7.1 Buying and selling domestic government bonds in Taiwan or foreign government bonds with a credit rating not lower than Taiwan's sovereign rating.

5.7.1.7.2 Professional investors engaging in the buying and selling of securities on the Taiwan Stock Exchange or at securities firms' business locations, or subscribing to foreign government bonds or general corporate bonds issued in the primary market that do not involve equity securities, including but not limited to securities such as non-subordinated bonds, or subscribing to or buying back securities investment trust funds or futures trust funds, or subscribing to or selling index investment securities, or securities firms buying securities under underwriting activities, acting as an underwriting or advisory broker for over-the-counter companies in accordance with the regulations of the Taipei Exchange.

5.7.1.7.3 Buying and selling bonds with repurchase or sell-back conditions, or subscribing to or buying back money market funds issued by domestic securities investment trust enterprises.

5.7.1.8 The transaction amount in Articles 5.7.1.1. to 5.7.1.7. shall be calculated in the following manner, and the term "within one year" refers to the

period starting from the date of this transaction, and tracing back one year. The portions already announced as required are exempt from being recalculated.

5.7.1.8.1 The transaction amount for each individual transaction.

5.7.1.8.2 The cumulative amount of transactions within one year with the same counterparty for the acquisition or disposal of assets of the same nature.

5.7.1.8.3 The cumulative amount within one year for the acquisition or disposal (accumulated separately for acquisition and disposal) of real estate or its usage rights under the same development project.

5.7.1.8.4 The cumulative amount within one year for the acquisition or disposal (accumulated separately for acquisition and disposal) of the same securities.

5.7.2 Announcement and Reporting Procedures:

5.7.2.1 The Company shall announce and report the relevant information on the website designated by the Financial Supervisory Commission (FSC) of Taiwan.

5.7.2.2 The company shall, by the 10th of each month, input the derivative trading activities of the Company and its subsidiaries (that are not publicly listed in Taiwan) as of the end of the previous month into the information reporting website designated by the Financial Supervisory Commission (FSC) of Taiwan, according to the prescribed format.

5.7.2.3 If there are errors or omissions in the announced items that need to be corrected, the Company shall re-announce and report all items within two days from the date of knowledge of the issue.

5.7.2.4 When the Company acquires or disposes of assets, it shall keep the relevant contracts, meeting minutes, reference books, valuation reports, and the opinions of accountants, lawyers, or securities underwriters at the Company. Unless otherwise required by law, these should be retained for at least five years.

5.7.2.5 After the Company announces and reports transactions in accordance with the provisions of 5.7.1, if any of the following situations occur, the Company shall report the relevant information on the Taiwan Financial Supervisory Commission's designated website for announcement within two days from the date the event occurs:

5.7.2.5.1 There are changes, termination, or cancellation of the relevant contract signed for the original transaction.

5.7.2.5.2 The merger, division, acquisition, or share transfer is not

completed according to the scheduled timeline as set in the contract.

5.7.2.5.3 There are changes to the content of the original announcement and report.

5.8 The valuation report obtained by the Company or the opinion letter from accountants, lawyers, or securities underwriters, as well as the professional appraisers and their staff, accountants, lawyers, or securities underwriters, must comply with the following regulations:

5.8.1 Has never been sentenced to a fixed-term imprisonment of more than one year due to violations of the Taiwan Securities and Exchange Act, Company Act, The Banking Act of The Republic of China, Insurance Act, Financial Holding Company Act, Business Entity Accounting Act, or crimes such as fraud, breach of trust, embezzlement, forgery, or business-related criminal activities. However, this restriction does not apply if more than three years have passed since the completion of the sentence, probation period, or pardon.

5.8.2 The transaction parties must not be related parties or have substantial relationships with related parties.

5.8.3 If the Company is required to obtain appraisal reports from two or more professional appraisers, the appraisers or their personnel must not be related parties or have substantial relationships with each other.

5.8.4 The personnel mentioned in the previous section, when issuing valuation reports or opinion letters, must act in accordance with the self-regulatory guidelines of their respective professional associations and the following matters:

5.8.4.1 Prior to accepting the case, they should carefully evaluate their own professional competence, practical experience, and independence.

5.8.4.2 During the execution of the case, they should properly plan and implement appropriate procedures to form conclusions and issue the report or opinion letter; they must also document the procedures, collected data, and conclusions in the working papers for the case.

5.8.4.3 Regarding the sources of data, parameters, and information used, each should be evaluated for its appropriateness and reasonableness as the basis for issuing the valuation report or opinion letter.

5.8.4.4 Declarations should include statements confirming that the relevant personnel possess professionalism and independence, that the information used has been evaluated as reasonable and accurate, and that they have complied with relevant laws and regulations.

5.9 Control Procedures for Subsidiary Acquisition or Disposal of Assets:

5.9.1 The Company shall urge its subsidiaries to also establish and implement asset acquisition or disposal management procedures in accordance with the relevant

provisions of Taiwan's "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."

5.9.2 The subsidiaries of the Company should handle the acquisition or disposal of assets in accordance with their respective management procedures, and shall submit a written report to the Company by the 8th of each month (excluding the 8th) summarizing the asset acquisition or disposal activities of the previous month.

5.9.3 For subsidiaries of the Company that are not publicly listed companies in Taiwan, if the acquisition or disposal of assets requires public announcement, the Company shall handle the announcement.

5.9.4 For the announcement and reporting standards of the subsidiary, the criteria regarding paid-in capital or total assets shall be based on the paid-in capital or total assets of the parent company.

5.10 The provision of 10% of total assets in these regulations shall be calculated based on the total asset amount from the most recent individual or consolidated financial report prepared according to Taiwan's Regulations Governing the Preparation of Financial Reports by Securities Issuers.

If the Company's stock has no par value or its par value per share is not NT\$10, the trading amount specified in these regulations relating to 20% of paid-in capital shall be calculated based on 10% of the equity attributable to the owners of the parent company. For the provision related to a trading amount for paid-in capital reaching NT\$10 billion, it shall be calculated based on NT\$20 billion of equity attributable to the owners of the parent company.

5.11 Penalties:

The Company's managers and responsible personnel involved in the acquisition and disposal of assets, if found to have violated these operational procedures, shall be subject to penalties according to the Company's personnel management regulations.

5.12 Implementation and Revision:

The Company's "Regulations Governing the Acquisition and Disposal of Assets" shall be submitted to the shareholders' meeting for approval after being passed by the Board of Directors, and the same procedure shall apply for amendments. If any director expresses dissent with a record or written statement, the Company shall submit the dissenting director's information to the Audit Committee. Furthermore, if the company has appointed independent directors, the independent directors should attend and participate in the board discussion when the "Regulations Governing the Acquisition and Disposal of Assets" are presented. The opinions of the independent directors should be fully considered. If any independent director expresses dissenting or reserved opinions, these should be recorded in the board meeting minutes.

If an audit committee has been established in accordance with regulations, the formulation or amendment of these procedures should be approved by more than half of the members of the Audit Committee and then submitted to the Board of Directors for resolution. If the

approval of more than half of the members of the Audit Committee is not obtained, the decision may be exercised with the approval of more than two-thirds of the Board of Directors, and the resolution of the Audit Committee members should be recorded in the board meeting minutes.

6. Appendix:

6.1. Derivative Product Record Book 2-IF05-HH-01 AA

6.2. Items to be recorded in the valuation report:

6.2.1. Items to be recorded as specified in the Regulations on Real Estate Appraisal.

6.2.2. Relevant details of the professional appraiser and the appraiser staff:

6.2.2.1. Name of the professional appraiser, its capital, organizational structure, and personnel composition.

6.2.2.2. Name, age, educational background (with proof), years of experience in valuation work, and the number of valuation cases handled by the appraiser.

6.2.2.3. Relationship between the professional appraiser, the appraiser staff, and the client who commissioned the valuation.

6.2.2.4. A statement confirming that “the items in the valuation report are not false or concealed.”

6.2.2.5. The date on which the valuation report is issued.

6.3. Basic information of the appraised subject should at least include the name and nature of the property, location, area, and other related data.

6.4. Comparative examples of real estate transactions within the property’s area.

6.5. If the valuation method uses a restricted or specific price, the conditions for such restriction or specification, whether the conditions are currently met, the reasons and rationale for the difference from the normal price, and whether the restricted or specific price is adequate as a reference for the buying and selling price.

6.6. If it is a joint construction contract, the reasonable distribution ratio between both parties should be specified.

6.7. Estimation of land value increment tax.

6.8. If there is a price difference of 20% or more between the estimates of professional valuers for the same period, it should be handled in accordance with Article 41 of the Taiwan Real Estate Appraiser Act.

6.9. Attachments should include detailed valuation of the property, ownership registration data, cadastral map transcript, urban planning sketch map, location map of the property, land zoning use certificate, and current photos of the property.

LU HAI HOLDING CORP.

Shareholding Status of All Directors

The Company's paid-in capital is NT\$1,043,731,630, and the total number of issued shares is 104,373,163.

As of the book closure date (March 29, 2025) of the current annual shareholders' meeting, the shareholdings of individual directors and all directors recorded in the shareholder register are as follows:

Title	Name	Shareholding	Ratio
Chairman	WU, CHIN-LU	620,486	0.59%
Director	PATTERN FINANCIAL MANAGEMENT S.A. Representative: WU, CHING-SHU	4,125,190	3.95%
Director	LARGE RISE HOLDING LIMITED Representative: HSU, HAO-YUN	4,125,190	3.95%
Director	HSU, YA-TING	874,846	0.84%
Director	HSU, HAN-YUAN	2,427,753	2.33%
Director	HSU, HUAI-YUN	59,391	0.06%
Independent Director	YEN, MEI-YING	0	0%
Independent Director	YEH, CHIH-MING	0	0%
Independent Director	WANG, SHIH MING	0	0%
Total shareholding of all directors		12,232,856	11.72%

Notes 1: The Securities and Exchange Act, Article 26, is not applicable to the Company.

Notes 2: The Company has established an Audit Committee in accordance with the law, therefore, the statutory requirement for the minimum shareholding of supervisors does not apply.

Information on Proposals from Shareholders Holding More Than 1% of Total Issued Shares of the Company

1. The period for shareholders to submit proposals for the Company's 2025 annual general shareholders' meeting is from March 21, 2025, to March 31, 2025.
2. During the above period, no shareholder holding more than 1% of the Company's issued shares submitted any proposals