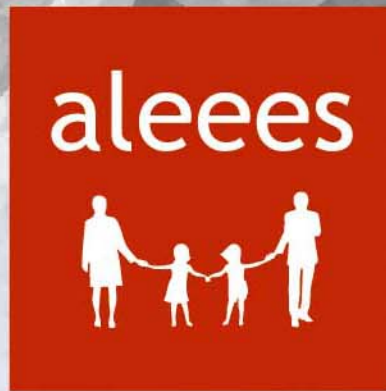


Stock Code : 5227



Advanced Lithium Electrochemistry (Cayman) Co., Ltd.

**2025 Annual Shareholders' Meeting
Meeting Handbook
(Translation)**

**Meeting type : Video-conferencing assisted shareholders meeting
(physical shareholders meeting supported by video conferencing)**

Time: June 3, 2025 at 09:00 a.m.

**Place: No. 398, Taoying Road., Taoyuan Dist., Taoyuan City 330, Taiwan (R.O.C.)
(Chuto Plaza Hotels)**

**E-Meeting Platform: "Shareholders meeting e-Voting Platform – Hybrid
Shareholders' Meeting" by Taiwan Depository & Clearing Corporation
(website: <http://www.stockservices.com.tw>)**

Table of Contents

	<u>Pages</u>
I. Meeting Procedure	1
II. Report Items	2
III. Proposed Items	3
IV. Discussion Items.....	4
V. Extemporaneous Motions	6
VI. Adjournment.....	6
VII. Attachment.....	7
1. Business Report	7
2. Inspection Report of Audit Committee	9
3. Report o Sound Business Operation 2024	10
4. Independent Auditors' Report and Consolidated Financial Statements	14
5. Statements of Deficit Compensated 2024	26
6. Opinion on the Reasonable Price of Private Placement of Common Stock	27
7. Reply to the Securities Investors and Futures Traders Protection Center	42
8. Modified Articles of Incorporation Revision Table	53
9. Comparison table of the procedures for acquiring or disposing of assets before and after the revision	54
VIII. Appendix	58
1. Articles of Incorporation (Pre-modified)	58
2. Regulations of Acquisition or Disposal of Assets (Pre-modified)	107
3. Regulations Governing Shareholders' Meeting	130
4. Stockholding of directors	144

Disclaimer:

THIS IS A TRANSLATION OF THE AGENDA FOR THE 2025 ANNUAL GENERAL SHAREHOLDERS' MEETING OF ADVANCED LITHIUM ELECTROCHEMISTRY (CAYMAN). THE TRANSLATION IS FOR REFERENCE ONLY. IF THERE IS ANY DISCREPANCY BETWEEN THE ENGLISH VERSION AND CHINESE VERSION, THE CHINESE VERSION SHALL PREVAIL.

ADVANCED LITHIUM ELECTROCHEMISTRY (CAYMAN) CO., LTD.
2025 Shareholders' Meeting Procedure

I.Meeting Procedure

- 1.Time: Tuesday, June 3, 2025 at 09:00 a.m.
- 2.Place: No. 398, Taoying Road., Taoyuan Dist., Taoyuan City 330, Taiwan (R.O.C.)
(Chuto Plaza Hotels)
- 3.Call Meeting to Order: Report total number of share attendance
- 4.Chairman's Speech:
- 5.Report Items:
 - (1) Business Report of 2024
 - (2) Inspection Report of Audit Committee of 2024
 - (3) Report on the Implementation of Sound Business Operation 2024
 - (4) Report of Private Equity 2024
- 6.Proposed Items:
 - (1) Proposal for the Business Report and Financial Statements 2024
 - (2) Proposal for Deficit Compensation 2024
- 7.Discussion Items:
 - (1) Proposal for a Capital Reduction Plan to Offset Company Losses
 - (2) Proposal for Modification of the "Articles of Incorporation"
 - (3) Proposal for Modification of the "Regulations of Acquisition or Disposal of Assets "
- 8.Extemporaneous Motions
- 9.Adjournment

II.Report Items

Proposal 1:

Proposal: Business Report of 2024

Explanation: Business Report of 2024, attached in Attachment 1 of the Meeting Agenda, page 7-8.

Proposal 2:

Proposal: Inspection Report of Audit Committee of 2024.

Explanation:

1. In accordance with Article 14, paragraph 4, subparagraph 3 of the Taiwan Securities Transaction Act, when the company sets up the audit committee, the provisions of the Taiwan Securities Transaction Act, the Company Act and other relevant laws for the supervisor are approved by the audit committee.
2. In accordance with the above provisions, the Audit Committee shall use the provisions of Article 228 of the Company Act to review the business report, financial statements and proposals of the deficit compensation approved by the 9nd meeting of the 9th Board of Directors, and issue a verification report. Please refer to Attachment 2 of the Meeting Agenda, page 9

Proposal 3:

Proposal: Report on the Implementation of Sound Operation Plan 2024.

Explanation:

1. In accordance with No.1030051218 of the Financial Supervisory Commission on December 26, 2014, the company has reported the implementation of sound business operation 2024 at the 14nd meeting of the 9th Board of Directors on March 14, 2025.
2. The report of sound business operation 2024 are as attached in Attachment 3 of the Meeting Agenda, page 10-13.

Proposal 4:

Proposal: Report of private equity 2024.

Explanation: Capital injection by issuance of 40 million shares of common stocks through private placement had been terminated by the resolution of the board of Directors due to can not be done before the expiry date on June 27 2025.

III. Proposed Items

Proposal 1: (By the Board of Directors)

Proposal: Proposal for the Business Report and Financial Statements 2024, please approve it.

Explanation:

1. The consolidated financial statements 2024 of the company was reviewed by the accountant Wei-Hao Wu and Yen-Na Li of PwC Taiwan, and reports were issued with unreserved opinions.
2. The business report and financial statements 2024 accepted by the board of directors, and it is proposed to the shareholders' meeting for approval.
3. Business report are as attached in Attachment 1 of the Meeting Agenda, page 7-8
4. The consolidated financial statements are attached in Attachment 4 of the Meeting Agenda, pages 14-25

Resolution:

Proposal 2: (By the Board of Directors)

Proposal: Proposal for Deficit Compensation 2024, please approve it.

Explanation:

1. The Company's after-tax loss for fiscal year 2024 is NT\$235,270,748, plus the loss to be offset at the beginning of the period of NT\$529,783,225 and the loss offset by capital reduction of NT\$150,000,000, the total accumulated loss to be offset at the end of the period is NT\$615,053,973.
2. Since the company has a loss after tax in 2024, it will not allocate or distribute dividends in accordance with the Articles of Incorporation.
3. The proposal for the deficit compensation for 2024 is attached in Attachment 5 of the Meeting Agenda, page 26.

Resolution:

IV. Discussion Items

Proposal 1: (By the Board of Directors)

Proposal: Proposal for the Raising of Private Equity.

Explanation:

1. In order to cope with the company's future development or reinvestment or increase the working capital, and enhance the company's competitiveness, it is proposed the company to handle no more than 20 million shares of private equity to issue new shares of capital increase in cash. It is proposed the shareholders' meeting to authorize the board of directors to take into account the market conditions and meet the actual needs of the company, and handle the following financing methods and principles.
2. In accordance with Article 43 paragraph 6 of the Securities and Exchange Act and the "Directions for Public Companies Conducting Private Placements of Securities", statements are as follows:

A. Basis and reasonableness of private equity pricing

- (1). Basis for the issuing price: The price of the common stock issued by the private capital increase in cash will be no less than 50% of the reference price, which will be determined on the pricing date. The reference price is calculated based on the highest price in the following two benchmarks.
 - (a) The issuing price shall be determined by the average of the common stock closing price which is calculated on 1, 3 or 5 business days before the pricing date, deducting the bonus shares' ex-right and dividends, and adding back the stock price after the capital reduction.
 - (b) The issuing price shall be determined by the average of the common stock closing price which is calculated on 30 business days before the pricing date, deducting the bonus shares' ex-right and dividends, and adding back the stock price after the capital reduction.
- (2). Reasonableness of the issuing price:
 - (a) The actual issue price is intended to be authorized by the board of directors in accordance with the law and to be within the range of no less than the resolutions of the shareholders' general meeting, depending on the specific future contacts, market conditions and the company's future prospects. The basis for the above-mentioned private placement price is in accordance with the regulations of the competent authority, and at the same time, the timing, object and quantity of the transfer of private equity are in strict restrictions. Also, it is not allowed to be listed in the OTC within 3 years, and the liquidity is poor. Therefore, the portion of private placements should be reasonable.
 - (b) In accordance with the relevant laws and regulations, when the price per share is lower than 80% of the reference price, the independent expert's opinion on the basis and rationality of the pricing should be provided to shareholders as a reference for whether the shareholders agree. To this end, the Company

obtained a reasonableness opinion issued by Reanda & Pinghe Joint Accounting Firm. Please refer to pages 27 to 41 of Attachment 6 of this manual.

B.The means of selecting the specified persons

- (1).The recipients of this offering of common shares are limited to specific persons who meet the requirements of Article 43-6 of the Securities and Exchange Act and the Financial Supervisory Commission's Order No. 1120383220 dated September 12, 2023.
- (2).If the subscriber is a strategic investor: The company will choose the subscriber with good understanding of the company's operations and is beneficial to future operations. Individuals or legal persons who assists the company to improve its quality, reduce costs, and increase efficiency by applying the person's own experience, techniques, brand reputation or channel programs, etc. In order to improve the company's financial structure and strengthen its solvency, the funds of the subscribers can improve the overall financial quality of the company. The huge cost of capital and operational risks can be reduced, and the company's financial structure can be improved. It is proposed that the board of directors to be authorized to review the relevant qualifications of strategic investors.
- (3).If the subscriber is an insider or related parties of the company: Currently there are no planned applicants for insider or related parties.
- (4).The subscriber has not yet been arranged by the company, and it is proposed that the board of directors to be authorized to decide the arrangement of the actual subscriber.

C.Reasons for private placement

- (1).Reasons for not using public offerings: Considering the timeliness, convenience and issuing costs, we plan on cash capital increase through private placement.
 - (2).The purpose and the expected benefits of the private equity shares: The total number of private equity shares is limited to no more than 20 million shares, and the book value per share is NT\$10. It is proposed to authorize the board of directors for private placement several times within one year from the date of resolution of the shareholders' meeting. The funds for each of the private placements are used to enrich working capital, reinvestment or other capital needs for future development, and effectively reduce the cost of capital, strengthen the company's competitiveness and enhance operational efficiency.
3. Private shares of the private placement of securities shall have the same rights and obligations as issued shares, and shall not be transferred except to the transferees specified in Article 43 paragraph 8 of the Securities and Exchange Act within three years from the delivery date. After three full years since the delivery date, it is proposed to authorize the board of directors to apply to the competent authority for the privately placed securities to be traded on the over-the-counter markets in accordance with the

relevant laws and regulations.

4. Except for the portion of private placements, the essential contents of the private placement plan includes issuing price, number of shares, issuance conditions, project plans, progress in the use of funds, expected benefits, and other unfinished matters. If there are any modifications in the future due to changes in objective environmental factors, it is proposed that the board of directors is authorized to fully handle it in accordance with relevant regulations.
5. In accordance with the letter the Securities Investor and Futures Trader Protection Center's letter No. 1140001193 dated April 14, 2025 and letter No. 1140001372 dated April 25, 2025, the Company explained relevant matters in the reply Cayman Aleees Tzu No. AC250422001 dated April 22, 2025 and letter No. AC250502001 dated May 2, 2025, respectively to explain the relevant matters. Please refer to pages 42 to 52 of Attachment 7 of this manual.

Resolution:

Proposal 2: (By the Board of Directors)

Proposal: Proposal for Modification of the “Articles of Incorporation”.

Explanation: In accordance with the Company Law and the operational requirements of the company, certain articles of the "Articles of Association" of our company have been revised. The modified "Articles of Incorporation" table is attached in Attachment 8 of the Meeting Agenda, pages 53

Resolution:

Proposal 3: (By the Board of Directors)

Proposal: Proposal for Modification of the “Procedures for acquiring or disposing of assets”.

Explanation: In conjunction with the adjustment of the Company's approval authority and related operations, the Company intends to revise its " Procedures for acquiring or disposing of assets ". Please refer to pages 54-57 of Attachment 9 of this manual.

Resolution:

V.Extemporary Motions

VI.Adjournment

VII.Attachment

1.Business Report

Advanced Lithium Electrochemistry (Cayman) Co., Ltd. Business Report of 2024

1. The overview and results of management policy and business plan implementation:

In line with global policies on battery supply chain security and localization, governments in Europe and the United States have introduced high tariffs and factory incentives. The global energy storage battery market is expected to focus on lithium iron phosphate (LFP) batteries. Many automotive manufacturers have also confirmed their use in electric vehicles and electric trucks. Our company's customer base will not be limited to energy storage batteries but will also expand into the supply chain for electric vehicles, including electric cars and trucks, with end-users and sales markets spanning globally.

In the 113th fiscal year, we increased customer selling prices and controlled production costs, resulting in a consolidated gross profit of NT\$64 million, which represents a 168% growth from the previous year's operating loss. As gross profit increased, net loss after tax was NT\$235 million, a reduction of 55% compared to the same period last year.

Our company has transformed into a lithium intellectual property service provider, accelerating licensing business and abandoning low-price customer revenue to mitigate the severe challenges posed by Chinese dumping. We continue to invest in R&D resources and enhance technical capabilities to optimize products and customer portfolios. We will leverage existing resources to develop other battery materials, including the mass production technology for negative electrode materials and improvements in electrolytes. We are also collaborating with partners to apply for key material patents and commercializing patented products based on customer needs. We work with end-application customers to co-develop and validate required products through our lithium battery intellectual property commercialization service platform, integrating patents from various units. We then license these patents to local companies interested in entering the battery materials industry, allowing them to manufacture products that meet the needs of end-application customers.

All employees will continue to work diligently with a sense of urgency, striving to create a more favorable business environment, enhance operational performance, and generate enterprise value to reward the long-term support of all shareholders and investors.

2. The budget execution:

The company has not compiled the annual financial forecast in 2024, so there is no need to disclose the information on budget execution.

3. Analysis of financial income and expenditure, and profitability analysis:

Unit: NTD thousand			
	Item	2024	2023
Financial income and expenditure	Consolidated operating income	591,256	810,294
	Consolidated gross profit (loss)	63,633	(93,371)
	Consolidate net loss after tax	(235,271)	(519,356)
Profitability	Margin %	10%	-12%
	Net profit margin %	-40%	-64%

Note: In accordance with the IFRS.

The net loss after tax in 2024 was significantly reduced compared with the same period last year, mainly due to the increase in sales prices and the reduction in production costs. With the increase in operating gross profit, the net loss after tax has decreased by about 55% compared with the same period last year.

4. Research and development:

- (1) Improve and optimize existing processes to reduce carbon emissions.
- (2) Continuously develop high-voltage lithium battery cathode materials.
- (3) Invest in the development of other battery materials.

Chairman:
Sheng-Shi Chang



General Manager:
Jui-Yang ,Cnu



Accounting Manager:
Hsiang-Chuan Tseng



2. Inspection Report of Audit Committee

Inspection Report of Audit Committee

The Board of Directors handed over the Company's business reports, financial statements and proposals of deficit compensation 2024. The financial statements were entrusted by Wei-Hao Wu and Yen-Na Li, certified by PricewaterhouseCoopers Taiwan, and issued an audit report.

The above-mentioned business report, financial statements and proposals of deficit compensation have been checked by the audit committee, and it is considered that there is no disagreement. The report of Article 14-4, paragraph 3 of the Securities Exchange Act are as mentioned above, please review it.

To

Advanced Lithium Electrochemistry (Cayman) Co., Ltd.
2025 Shareholders' Meeting

Audit Committee Convener: PAO-SHENG WEI



March 14, 2025

3. Report on Sound Business Operation 2024

Advanced Lithium Electrochemistry (Cayman) Co., Ltd.

Report of Sound Business Operation 2024

1. The implementation of sound business operation 2024 is as follows:

Units: NTD thousand

Items in the consolidated income statement	2024	2023	Plus (Minus)	Plus (Minus)%
Cathode Material Revenue	574,355	678,625	(104,270)	(15)
Licensing Engagement Revenue	16,901	131,669	(114,768)	(87)
Operating Income	591,256	810,294	(219,038)	(27)
Cathode Material Gross profit	62,223	(205,987)	268,210	130
Licensing Engagement Gross profit	1,410	112,616	(111,206)	(99)
Gross profit(loss)	63,633	(93,371)	157,004	168
Operating Expense	(297,554)	(353,685)	(56,131)	(16)
Non-operating income (expenses)	(1,350)	(20,350)	19,000	93
Net loss before tax	(235,271)	(467,406)	232,135	50
Net loss after tax	(235,271)	(519,356)	284,085	55

A. Operating income:

Material revenue and gross loss: The customer selling price was raised in 2024 to maintain factory operating costs, which has reflected a significant increase in material gross profit.

Technology licensing and gross profit: Mainly due to the recognition of intellectual property licensing income of NT\$91,290,000 in the same period last year, and the consulting service income that will be gradually recognized over time in line with the customer's factory construction schedule starting from the second quarter of 2024.

B. Operating expenses: As the patent expired in the first quarter of 2023, no sales royalties have been accrued since the second quarter of 2023, resulting in a decrease in operating expenses in 2024 compared with the same period last year.

C. Net loss after tax: Due to the increase in gross operating profit, the decrease in operating expenses compared with the same period last year, and the fact that no one-time income tax expense was recognized in this period due to revenue sources in accordance with local tax laws, the net loss after tax in 2024 decreased by approximately RMB 284 million compared with the same period last year, a decrease of approximately 55%.

2. Report of sound business operation:

(1) Business development plan

Our company has accumulated over ten years of sales performance. To date, we hold more than 150 exclusive patents globally, making us one of the few companies outside of China with complete LFP lithium battery material manufacturing technologies and patents. With the global focus on battery supply chain security (de-China-ization) and local production policies, both European and American governments have implemented high tariffs and factory construction incentive policies. The global energy storage battery market will focus on lithium iron phosphate (LFP) batteries as the main development direction, and many automakers have confirmed their shift towards using LFP batteries for electric vehicles and electric trucks. Our company will continue to optimize its product and customer portfolio, actively expand into the energy storage and electric vehicle battery markets (including lithium iron phosphate batteries for replacing lead-acid batteries in vehicles), develop long-term partnerships with well-known clients in

Europe, the U.S., Japan, and Korea, and transition to a technology licensing and royalty model, laying a solid foundation for the company's future development and boosting stable operational growth.

1. Expanding Patent Licensing and Transfer-Based Light Asset Business Model, and Developing a Lithium Battery Intellectual Property Commercialization Service Platform

Due to the unexpectedly strong demand for LFP cathode materials in the European, American, and Asian markets, major battery manufacturers like LG and Tesla are rushing to enter the LFP cathode material market. Energy storage and standard EVs have established LFP cathode materials as the mainstream. To meet the diverse needs of customers, our company has adopted a light asset business model focused on patent licensing and transfer, with two categories of clients for licensing and technology transfer. The first category involves licensing and transferring technology to third-party professional chemical companies in Europe and the U.S., who will then supply certified lithium battery customers. The second category involves directly licensing and transferring technology to lithium battery customers, enabling them to be self-sufficient in production capacity. This adjustment offers four key advantages: light asset management, responding to customer needs, forming an LFP ecosystem, and minimizing the risk of European, American, and Asian customers' heavy reliance on Chinese LFP products.

Our company, which has traditionally focused on cathode materials, will expand into other battery materials, including mass production technologies for anode materials and improvements to electrolytes. We will apply for key material patents in collaboration with our partners and commercialize them according to customer needs. Our company, together with end-use customers, will jointly develop and validate the necessary products and integrate patents through the lithium battery intellectual property commercialization service platform to commercialize patents. These patents will be further licensed to local battery material manufacturers, who will produce them to meet the needs of end-use customers.

2. Expand the energy storage battery market

The development of sustainable energy has become a global environmental priority. Over 130 countries have passed or announced goals to achieve net-zero carbon emissions by 2050, with green energy becoming a global consensus. As countries continue to ramp up efforts to develop renewable energy and increase the share of green electricity, the construction of energy storage systems will need to keep pace. Energy storage systems smooth the output of green electricity and enhance the utilization of renewable energy, maximizing the effectiveness of every kilowatt-hour of electricity. Energy storage devices are widely applicable in power systems, including generation, transmission, distribution, and user ends, such as residential and commercial enterprises. The demand for energy storage equipment is rising, driven by government policies as well as increasing user demand. Residential users are installing energy storage systems for stable power, while businesses are boosting green energy generation and energy storage needs as part of their carbon-neutral commitments.

In the green energy transformation wave, Bloomberg New Energy Finance (BNEF) forecasts that global investment in stationary energy storage equipment will exceed \$262 billion by 2030, with major markets concentrated in the U.S., China, and the European Union. The top five countries in terms of installed capacity will account for about 85% of the global market, and it is expected that the U.S. will remain the largest market until 2025. Overall, the global energy storage industry is entering a period of rapid growth, driven by carbon neutrality and green energy trends.

Energy storage batteries have less stringent requirements on energy density and focus more on battery costs, cycle performance, and lifecycle costs. LFP batteries are favored for energy storage due to their low production costs and high cycle life, while ternary lithium batteries have safety concerns due to frequent explosion incidents. Therefore, LFP batteries have become the preferred choice in the energy storage market. BNEF believes that rapidly advancing battery technologies are driving the growth of the energy storage market.

Currently, lithium-ion batteries dominate, and in stationary energy storage systems, LFP will be the preferred choice.

With the rapid growth of energy storage market demand and the continuous development of customers to complete certification and mass production, we expect to drive the company's operational growth.

3. Expanding the Electric Vehicle Battery Market (Including the Lithium-Ion Battery Market to Replace Lead-acid Batteries for Automotive Use)

The global electric vehicle market is growing rapidly, with over 20 countries having set timelines between 2025 and 2050 to phase out the sale of internal combustion engine vehicles. This means the transition from fuel-powered to electric vehicles will have a transition period of at least 1 year, and at most 16 years. Over half of the electric vehicles sold globally will come from China. To counter the rapid growth of the “red” wave, automakers in Japan, Europe, and the U.S. are increasing trade barriers or raising government subsidies, directly impacting manufacturers from China, Russia, and South Korea. The European Union has also imposed requirements for electric vehicle purchase subsidies to be tied to local production. Automakers are heavily investing in the global electric vehicle market, leading to a clear growth trend in electric vehicle demand.

TrendForce believes that as the most expensive core component of electric vehicles, reducing the cost of power batteries will be a key competitive strategy for companies. Manufacturers will focus more on lowering battery material costs and ensuring supply chain security, which are critical to future competitiveness. According to the International Energy Agency (IEA), 40% of an electric vehicle's cost comes from the battery. Therefore, adopting new chemical materials in electric vehicle batteries will be a focus, with an emphasis on reducing the use of expensive metals like lithium carbonate, nickel, and cobalt. Shifting towards cheaper electric vehicle batteries will help electric vehicle companies lower prices and create more attractive pricing strategies for the mass market.

Currently, many automakers have shifted towards or started investing in cheaper battery technologies. With the continued development of the electric vehicle market and the ongoing development of customers to complete certification and mass production, we expect this to drive future growth in the company's operations.

(2) Product research and development plan

1. Improving and optimizing existing processes to reduce carbon emissions.

We will adopt advanced powder design and powder post-processing technologies to improve production yield rate and reduce production costs. This will help us improve product competitiveness in the global market, and continue to expand the market shares. By actively introducing new generation process technology and equipment, we are able to produce lithium battery cathode materials with higher purity, lower impurities and better processing performance to meet the needs of our customers for high-end product applications.

2. Continuous development of high-voltage lithium battery cathode materials

In response to the continuous enhancement of energy density in lithium-ion batteries and the development trend towards higher operating voltages, high-rate performance, and high safety, our company has launched new types of lithium iron phosphate (LFP), lithium manganese iron phosphate (LMFP), and semi-solid-state battery cathode materials that meet the needs of the electric vehicle market. The specialized cathode materials for thick electrode battery technology include lithium iron phosphate and lithium manganese iron phosphate (LMFP), which can be used independently or mixed with ternary materials for application in electric vehicles, unique battery markets with high energy density and high safety requirements. Some of these products were developed in collaboration with major overseas battery manufacturers from the early stages, with material properties adjusted based on customer test results. Clear market application directions and collaborative development with customers can accelerate product development and launch, providing better material options for the electric vehicle, energy storage market, and other unique markets with high safety requirements.

3. Investing in the Development of Other Battery Materials

Our company has been focused on the development of cathode materials in the past. However, a battery consists of not only cathode materials but also anode materials, electrolytes, separators, and various other components. Currently, we are leveraging our existing resources to diversify into other battery materials, including advancing production techniques for anode materials and improving electrolytes. We are also collaborating with partners to jointly apply for key material patents. Subsequently, we plan to license the patented IP technology to international-level clients to gain recognition from European, American, and Japanese automotive manufacturers.

(3) Capacity expansion plan

Our company is actively transitioning into an intellectual property licensing firm. As part of this transition, we will not be expanding our production capacity in the future to avoid competing with our licensees. Instead, we will focus on meeting the verification needs of material customers by purchasing additional equipment for licensing verification purposes. However, we will not increase product sales.

(4) Sound financial operation plan

In the future, we will continue to increase revenue and reduce expenditure, track and manage the collection of accounts receivable, strive to control inventory and reduce production costs with an aim of effectively improve operational performance and control operational risks.

4.Independent Auditors’ Report and Consolidated Financial Statements

INDEPENDENT AUDITORS’ REPORT TRANSLATED FROM CHINESE

PWCR24000571

To the Board of Directors and Shareholders of Advanced Lithium Electrochemistry (Cayman) Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Advanced Lithium Electrochemistry (Cayman) Co., Ltd. and subsidiaries (the “Group”) as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 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, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group

in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Group's 2024 consolidated financial statements is stated as follows:

Valuation of property, plant, and equipment

Description

Refer to Note 4(17) for accounting policy on impairment of property, plant and equipment, and Note 6(6) for details of accounts. The recoverable amounts of property, plant and equipment of the Group are measured based on fair value less costs of disposal, which is used to determine whether there is any impairment. The estimation of the aforementioned measurement of fair value is subject to the professional judgment of management and involves numerous assumptions and material unobservable inputs. Any changes in judgments and estimates may affect the ultimate result of accounting estimates and may have a material impact on the financial statements. Thus, we have included the key assumptions in estimating the recoverable amounts used in the valuation of property, plant and equipment as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained the appraisal report from the external valuation expert who was commissioned by the management to determine whether the measurement method the management used is commonly adopted in the industry and considered appropriate; and
- B. Examined whether the significant unobservable input had reflected the assumptions that would be used for similar assets, and assessed the reasonableness of the assumptions used.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, 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 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 of the current period 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.

Wu, Wei-Hao 吳偉豪 , Yen-Na 顏娜 
For and on Behalf of PricewaterhouseCoopers, Taiwan
March 14, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.


ADVANCED LITHIUM ELECTROCHEMISTRY (CAMPAÑ) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
 (Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2024	December 31, 2023
	Current assets			
1100	Cash and cash equivalents	6(1)	\$ 51,586	\$ 383,301
1110	Current financial assets at fair value through profit or loss	6(2)	31,501	-
1136	Current financial assets at amortised cost, net	6(1) and 8	22,288	54,653
1140	Current contract assets	6(17)	60,338	43,437
1170	Accounts receivable, net	6(3)	31,409	31,950
1180	Accounts receivable - related parties	6(3) and 7	-	-
1200	Other receivables		47	54
1210	Other receivables - related parties	7	-	-
1220	Current income tax assets		360	287
130X	Inventory	6(4)	167,680	153,273
1410	Prepayments	6(5)	45,040	50,371
1470	Other current assets		3,158	9,100
11XX	Total current assets		<u>413,407</u>	<u>726,426</u>
	Non-current assets			
1535	Non-current financial assets at amortised cost, net	6(1) and 8	4,000	-
1600	Property, plant and equipment	6(6) and 8	505,451	492,537
1755	Right-of-use assets	6(7)	-	1,377
1780	Intangible assets		2,959	3,012
1840	Deferred income tax assets	6(24)	13,465	13,465
1900	Other non-current assets	6(8), 7 and 8	106,863	77,401
15XX	Total non-current assets		<u>632,738</u>	<u>587,792</u>
1XXX	Total assets		<u>\$ 1,046,145</u>	<u>\$ 1,314,218</u>

(Continued)


ADVANCED LITHIUM ELECTROCHEMICALS (TAIWAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
 (Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2024	December 31, 2023
	Current liabilities			
2100	Short-term borrowings	6(9)	\$ 200,000	\$ 220,000
2130	Current contract liabilities	6(17)	39,391	27,572
2170	Accounts payable		48,450	72,102
2200	Other payables	6(10)	171,413	182,083
2250	Provisions for liabilities - current		34,818	34,818
2280	Current lease liabilities	6(7)	-	1,377
2320	Long-term liabilities, current portion	6(11)	5,000	-
2365	Current refund liabilities		-	6,859
2399	Other current liabilities		12,886	13,281
21XX	Total current liabilities		<u>511,958</u>	<u>558,092</u>
	Non-current liabilities			
2540	Long-term borrowings	6(11)	13,333	-
25XX	Total non-current liabilities		<u>13,333</u>	<u>-</u>
2XXX	Total liabilities		<u>525,291</u>	<u>558,092</u>
	Equity attributable to owners of parent			
	Share capital	6(13)		
3110	Common stock		680,000	830,000
	Capital surplus	6(14)		
3200	Capital surplus		429,000	429,000
	Accumulated deficit	6(15)		
3350	Accumulated deficit		(615,054) (529,783)
	Other equity interest	6(16)		
3400	Other equity interest		26,908	26,909
31XX	Equity attributable to owners of the parent		<u>520,854</u>	<u>756,126</u>
3XXX	Total equity		<u>520,854</u>	<u>756,126</u>
	Significant contingent liabilities and unrecognised contract commitments	9		
3X2X	Total liabilities and equity		<u>\$ 1,046,145</u>	<u>\$ 1,314,218</u>

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

ADVANCED LITHIUM ELECTROCHEMISTRY (CAMBODIA) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except for loss per share amount)

	Items	Notes	Year ended December 31	
			2024	2023
4000	Operating revenue	6(17)	\$ 591,256	\$ 810,294
5000	Operating costs	6(4)(22)(23)	(527,623)	(903,665)
5950	Gross profit (loss) from operations		63,633	(93,371)
	Operating expenses	6(22)(23)		
6100	Selling expenses		(63,902)	(48,293)
6200	Administrative expenses		(138,886)	(240,803)
6300	Research and development expenses		(97,372)	(64,589)
6450	Expected credit impairment gain	12(2)	2,606	-
6000	Total operating expenses		(297,554)	(353,685)
6900	Operating loss		(233,921)	(447,056)
	Non-operating income and expenses			
7100	Interest income	6(18)	1,832	2,604
7010	Other income	6(19)	4,618	1,432
7020	Other gains and losses	6(20)	(1,222)	(2,422)
7050	Finance costs	6(21)	(6,578)	(21,964)
7000	Total non-operating income and expenses		(1,350)	(20,350)
7900	Loss before income tax		(235,271)	(467,406)
7950	Income tax expense	6(24)	-	(51,950)
8200	Loss for the year		<u>(\$ 235,271)</u>	<u>(\$ 519,356)</u>
	Other comprehensive income	6(16)		
	Components of other comprehensive income that will be reclassified to profit or loss			
8361	Financial statements translation differences of foreign operations		(\$ 1)	\$ 2,493
8300	Total other comprehensive (loss) income for the year		<u>(\$ 1)</u>	<u>\$ 2,493</u>
8500	Total comprehensive loss for the year		<u>(\$ 235,272)</u>	<u>(\$ 516,863)</u>
	Loss attributable to:			
8610	Owners of parent		<u>(\$ 235,271)</u>	<u>(\$ 519,356)</u>
	Comprehensive loss attributable to:			
8710	Owners of parent		<u>(\$ 235,272)</u>	<u>(\$ 516,863)</u>
	Loss per share (in dollars)	6(25)		
9750	Basic loss per share		<u>(\$ 3.46)</u>	<u>(\$ 8.55)</u>

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

ADVANCED LITHIUM ELECTROCHEMICALS (HONG KONG) CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent					
		Capital Reserves				Financial statements translation differences of foreign operations	
	Notes	Share capital - common stock	Additional paid-in capital	Others	Accumulated deficit		Total equity
<u>2023</u>							
		\$ 700,000	\$ 500,257	\$ 14,787	(\$ 525,471)	\$ 24,416	\$ 713,989
		-	-	-	(519,356)	-	(519,356)
6(16)	Other comprehensive income for the year	-	-	-	-	2,493	2,493
	Total comprehensive loss for the year	-	-	-	(519,356)	2,493	(516,863)
6(13)	Issuance of shares	130,000	429,000	-	-	-	559,000
	Capital surplus used to offset against accumulated deficit	-	(500,257)	(14,787)	515,044	-	-
	Balance at December 31, 2023	\$ 830,000	\$ 429,000	\$ -	(\$ 529,783)	\$ 26,909	\$ 756,126
<u>2024</u>							
	Balance at January 1, 2024	\$ 830,000	\$ 429,000	\$ -	(\$ 529,783)	\$ 26,909	\$ 756,126
	Loss for the year	-	-	-	(235,271)	-	(235,271)
6(16)	Other comprehensive loss for the year	-	-	-	-	(1)	(1)
	Total comprehensive loss for the year	-	-	-	(235,271)	(1)	(235,272)
6(13)	Capital reduction to offset against accumulated deficit	(150,000)	-	-	150,000	-	-
	Balance at December 31, 2024	\$ 680,000	\$ 429,000	\$ -	(\$ 615,054)	\$ 26,908	\$ 520,854

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


ADVANCED LITHIUM ELECTROCHEMICAL TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
 (Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 235,271)	(\$ 467,406)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including right-of-use assets)	6(22)	59,447	58,347
Amortisation	6(22)	1,547	7,089
Net gain or loss on financial assets at fair value through profit or loss	6(20)	(3,211)	-
Interest expense	6(21)	6,578	21,964
Interest income	6(18)	(1,832)	(2,604)
Gain on disposal of property, plant and equipment	6(20)	(39)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss		(28,290)	-
Accounts receivable		541	37,954
Contract assets		(16,901)	(43,437)
Other receivables		7	(54)
Inventories		(14,407)	90,274
Prepayments		5,331	4,247
Other current assets		5,942	3,758
Changes in operating liabilities			
Contract liabilities		11,819	(7,082)
Accounts payable		(23,652)	23,254
Other payables		(4,537)	(2,066)
Refund liabilities		(6,859)	(4,750)
Other current liabilities		(395)	2,624
Cash outflow generated from operations		(244,182)	(277,888)
Interest received		1,832	2,604
Interest paid		(6,562)	(21,805)
Income tax paid		-	(51,950)
Net cash flows used in operating activities		(248,912)	(349,039)

(Continued)


ADVANCED LITHIUM ELECTROCHEMISTRY (CAYMAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
 (Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		(\$ 50,127)	(\$ 94,126)
Proceeds from disposal of financial assets at amortised cost		78,492	123,958
Acquisition of property, plant and equipment	6(26)	(77,168)	(53,337)
Proceeds from disposal of property, plant and equipment		74	-
Acquisition of intangible assets		(1,494)	(2,759)
Increase in refundable deposits		(660)	(647)
Decrease in refundable deposits		149	493
Increase in other non-current assets		(28,951)	(3,175)
Net cash flows used in investing activities		(79,685)	(29,593)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		200,000	406,357
Decrease in short-term borrowings		(220,000)	(311,957)
Increase in long-term borrowings		20,000	-
Decrease in long-term borrowings		(1,667)	(128,763)
Payment of lease liabilities	6(27)	(1,377)	(1,502)
Proceeds from issuance of shares	6(13)	-	559,000
Net cash flows (used in) from financing activities		(3,044)	523,135
Effect of changes in foreign currency exchange		(74)	3,403
Net (decrease) increase in cash and cash equivalents		(331,715)	147,906
Cash and cash equivalents at beginning of year		383,301	235,395
Cash and cash equivalents at end of year		<u>\$ 51,586</u>	<u>\$ 383,301</u>

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

5.Statements of Deficit Compensated 2024

Advanced Lithium Electrochemistry (Cayman) Co., Ltd.

Statements of deficit compensated (2024)



Unit: NTD

Item	Amount
Opening balance of accumulated deficits not yet compensated	(\$529,783,225)
Deficits to be offset:	150,000,000
Accumulated deficits not yet compensated	(379,783,225)
2024 net loss after tax	(235,270,748)
Ending balance of accumulated deficits not yet compensated	(\$615,053,973)

Chairman:
Sheng-Shi Chang



General manager:
Jui-Yang ,Cnu



Accounting manager:
Hsiang-Chuan Tseng



6.Opinion on the Reasonable Price of Private Placement of Common Stock

英屬蓋曼群島商立凱電能科技股份有限公司
私募發行普通股價格合理性意見書
(2025 年度)



利安達平和聯合會計師事務所 | 利安達臺灣所

聯絡地址：臺北市大安區光復南路 102 號 4 樓

聯絡電話：+886-2-8772-6262

目 錄

意見書摘要	2
應聲明事項	3
1. 委任內容、基本假設與前提	4
1.1 專家及所屬機構名稱及地址	4
1.2 委任內容.....	4
1.3 評價基準日	4
1.4 價值前提.....	4
1.5 價值標準.....	5
1.6 財務資訊的假設前提	5
1.7 主要資料來源.....	5
1.8 假設及限制條件	5
2. 本次私募參考價格成數與法令規範之差異	7
2.1 私募普通股價格訂定法令規範	7
2.2 本次私募普通股價格訂定依據及原則	7
2.3 法令規範與本次參考價格成數之差異	7
3. 私募參考價格及暫定發行價格	8
4. 私募合理價格計算	8
4.1 評價方法說明.....	8
4.2 選用之評價方法	9
4.3 市價法.....	9
4.4 市場法.....	10
4.5 價值彙總與調整	12
5. 結論.....	13
專家簡歷表	14

英屬蓋曼群島商立凱電能科技股份有限公司
私募發行普通股價格合理性意見書
意見書摘要

英屬蓋曼群島商立凱電能科技股份有限公司（以下稱「蓋曼立凱」）為因應未來發展或轉投資或充實營運週轉所需之資金，經評估籌集資金之時效性、可行性及資本市場之不確定性等因素後，擬於發行總股數不超過20,000,000股額度內，以私募方式辦理現金增資發行普通股，自股東常會決議之日起一年內不超過10次募集。本次私募普通股預計充實營運資金或轉投資或其他因應未來發展資金需求，達成有效降低資金成本、強化公司競爭力並提升營運效能之效益。

依據金融監督管理委員會「公開發行公司辦理私募有價證券應注意事項」相關規定，私募普通股每股價格低於參考價格之八成，必須委請獨立專家評估其價格合理性。本會計師受蓋曼立凱之委託，對此次私募普通股定價成數合理性進行評估，並出具價格合理性意見書，以作為蓋曼立凱董事會及股東會之參考，除主管機關規定之用途外，未經本會計師同意不得為其他目的而引用、傳閱或提及本意見書之一部或全部。

本意見書之撰述乃依據「證券交易法」第四十三條之六及「公開發行公司辦理私募有價證券應注意事項」等法令規範，參考資訊引用公開資訊觀測站及臺灣經濟新報資料庫，並參考蓋曼立凱提供之董事會會議提案草稿與其他內部資料等，本意見書假設前述資料正確且完整，惟前述資料如有疏漏、錯誤、虛偽不實或隱匿情事等，本會計師不給予任何擔保或承擔任何損害賠償責任。

經本意見書之評估，計算求得蓋曼立凱普通股每股私募價值之合理區間為新臺幣19.67~26.71元，而此次私募暫定參考價格為每股新臺幣39.42元，每股私募價值之合理區間約為暫定參考價格之49.9%~67.76%，因此此次私募普通股發行價格之訂定，以不低於參考價格之五成為訂價依據，此成數介於前述合理區間，此次私募普通股定價成數尚屬合理。

利安達平和聯合會計師事務所
臺北市大安區光復南路102號4樓

獨立專家：吳明儀



2025年3月12日

應聲明事項

本獨立專家依據「公開發行公司辦理私募有價證券應注意事項」及遵循相關法令，並參考中華民國評價準則公報或職業公會所訂相關自律規範等，出具評估意見書，茲聲明如下：

- 一、 本人所出具意見書及所使用於執行作業程序之資料來源、參數及資訊等為適當且合理，以作為出具本意見之基礎。
- 二、 承接本案前，業已確認符合「公開發行公司取得或處分資產處理準則」第5條第1項之資格條件，並依據同條文第2項第1款，審慎評估本人專業能力及實務經驗。
- 三、 承接本案並無或有酬金且無意見結論已事先設定之情事。
- 四、 執行本案時，業已妥善規劃及執行適當作業流程，以形成結論並據以出具意見書；並將所執行程序、蒐集資料及結論，詳實登載於本案工作底稿。
- 五、 本人與本案交易當事人及出具評估意見書之專業估價者或估價人員間，並無「公開發行公司取得或處分資產處理準則」第5條第1項第2款及第3款規定之互為關係人或實質關係人等情形，並聲明無下列情事：
 - (一) 本人或配偶現受本案交易當事人聘雇擔任經常工作，支領固定薪給或擔任董監事者。
 - (二) 本人或配偶曾任本案交易當事人之董監事、經理人或對本案有重大影響職務之職員，而解任或離職未滿二年者。
 - (三) 本人或配偶任職之單位與本案交易當事人互為關係人者。
 - (四) 與本案交易當事人之董監事、經理人或對本案有重大影響職務之職員，有配偶或二等親以內親屬關係者。
 - (五) 本人或配偶與本案交易當事人有重大投資或分享財務利益之關係者。

利安達平和聯合會計師事務所

獨立專家：吳明儀



2025年3月12日

1. 委任內容、基本假設與前提

1.1 專家及所屬機構名稱及地址

利安達平和聯合會計師事務所 吳明儀會計師

地址：臺北市大安區光復南路 102 號 4 樓

1.2 委任內容

英屬蓋曼群島商立凱電能科技股份有限公司（以下稱「蓋曼立凱」）為因應未來發展或轉投資或充實營運週轉所需之資金，經評估籌集資金之時效性、可行性及資本市場之不確定性等因素後，擬於發行總股數不超過 20,000,000 股額度內，以私募方式辦理現金增資發行普通股，自股東常會決議之日起一年內不超過 10 次募集。本次私募普通股預計充實營運資金或轉投資或其他因應未來發展資金需求，達成有效降低資金成本、強化公司競爭力並提升營運效能之效益。

依據金融監督管理委員會「公開發行公司辦理私募有價證券應注意事項」相關規定，私募普通股每股價格低於參考價格之八成，必須委請獨立專家評估其價格合理性。本會計師受蓋曼立凱之委託，對此次私募普通股定價成數合理性進行評估，並出具價格合理性意見書，以作為蓋曼立凱董事會及股東會之參考，除主管機關規定之用途外，未經本會計師同意不得為其他目的而引用、傳閱或提及本意見書之一部或全部。

1.3 評價基準日

本意見書以蓋曼立凱 2024 年 9 月 30 日財務數據及最近期的市場資訊為計算基礎。

1.4 價值前提

本意見書以市場參與者觀點下之最高及最佳使用為價值前提。依據評價準則公報第三號「評價報告準則」對價值前提之定義：「所謂價值前提，係指對評價標的可能被使用之情境所作之假設。不同之價值標準可能要求一種特定之價值前提或得考量多種價值前提。價值前提例如最高及最佳使用、現行使用、有序清算及被迫出售等」。而「最高及最佳使用」係指「以參與者之觀點，在實體可能、法律允許及財務可行之前提下，得以獲致最高利益之使用」。

1.5 價值標準

本意見書以公允價值（Fair Value）為價值標準（Standard of value）。依國際財務報導準則第 13 號公報定義公允價值為「於衡量日，市場參與者間在有序之交易中出售某一資產所能收取或移轉某一負債所需支付之價格」，因此公允價值亦可解釋為所計算出來的價值必須符合該資產有收購意願的參與者所認同的價值，亦為該價值必須排除對某市場參與者的特定效益。

1.6 財務資訊的假設前提

本意見書中所引用各項財務資訊（包含但不限於管理當局提供），皆假設正確且能允當表達標的公司之財務及經營狀況，此外，本意見書中引用蓋曼立凱所提供之資料，亦假設其內容並無虛偽及隱瞞，如資訊內容隱匿、錯誤或因主客觀環境變動而產生重大差異，均可能會影響到本意見書之結論，意見書使用者必須詳細研讀相關假設基礎，並判斷假設或數據差異對決策可能產生之影響。

1.7 主要資料來源

本次評價之主要資料來源如下所述：

1.7.1 蓋曼立凱 2024 年度第三季合併財務報告暨會計師核閱報告。

1.7.2 本專案董事會提案文件。

1.7.3 臺灣經濟新報資料庫。

1.7.4 公開資訊觀測站。

1.8 假設及限制條件

本次評價主要之假設及限制條件彙總說明如下，其餘各假設及限制分別於各章節說明：

1.8.1 由於本獨立專家並非專業於法律，故任何會影響價值之法律訴訟，本獨立專家無以專業律師之觀點來判斷。若實質上該法律事項事關重大，本意見書之閱讀者應請教適當之法律顧問。

1.8.2 如前述，內部及外部因素將嚴重影響價值之判斷，故於本意見書所揭露之相關資訊，與最終之價值結論，並未隱瞞任何必要資訊。

1.8.3 本獨立專家未對最後之交易價格提出任何保證。由於評價之專業，受限於實務上執行之限制及主觀上採用之評價方法之差異，故於不同評價人員，

運用合理之評價方法所計算之標的價格，亦可能產生明顯差異。

- 1.8.4 本獨立專家僅以第三者角度評估取得價格之合理性，對於本案交易之規劃並未參與。本意見書主要依據蓋曼立凱所提供之資訊而出具，本獨立專家對於上開資訊並未依據一般公認審計準則查核，但已評估所使用之資訊為合理。
- 1.8.5 本意見書除前述目的外，不得移做其他用途使用或片面採用，未取得本獨立專家書面同意前不得提供予其他第三者，亦不得作為任何其他用途。

2. 本次私募參考價格成數與法令規範之差異

2.1 私募普通股價格訂定法令規範

依據「證券交易法」第四十三條之六及「公開發行公司辦理私募有價證券應注意事項」之規定：定價日乃董事會決議訂定私募普通公司債或具股權性質之有價證券價格、轉換或認股價格之日；具股權性質之有價證券，應經股東會決議後，始得由董事會依股東會決議之訂價依據進行訂價。

- (1) 上市或上櫃公司以下列二基準計算價格較高者定之：(a)定價日前一、三或五個營業日擇一計算普通股收盤價簡單算數平均數扣除無償配股除權及配息，並加回減資反除權後之股價；(b)定價日前三十個營業日普通股收盤價簡單算數平均數扣除無償配股除權及配息，並加回減資反除權後之股價。
- (2) 屬上市、上櫃及興櫃股票公司者，所訂私募普通股每股價格低於參考價格之八成，或特別股、轉換公司債、附認股權特別股、附認股權公司債、員工認股權憑證之發行價格低於理論價格之八成者，應併將獨立專家就訂價之依據及合理性意見載明於開會通知，以作為股東是否同意之參考。

2.2 本次私募普通股價格訂定依據及原則

- (1) 本次私募現金增資發行普通股價格，每股價格不低於參考價格之五成，將於定價日決定。
- (2) 參考價格以下列二基準計算價格較高者定之：(a)以定價日前 1、3 或 5 個營業日擇一計算普通股收盤價簡單算數平均數扣除無償配股除權及配息，並加回減資反除權後之股價。(b)定價日前 30 個營業日普通股收盤價簡單算數平均數扣除無償配股除權及配息，並加回減資反除權後之股價。
- (3) 本私募案計畫之主要內容，除私募定價成數外，包括發行價格、股數、發行條件、計畫項目、資金運用進度、預計可能產生效益及其他未盡事宜，未來如經主管機關或因客觀環境因素變更而有所修正時，擬提請股東常會授權董事會依相關規定全權處理之。

2.3 法令規範與本次參考價格成數之差異

蓋曼立凱本次私募普通股發行價格之訂定，以不低於參考價格之五成為訂定依據，法令規範私募普通股每股價格低於參考價格之八成者，應委請獨立專家對私募訂價之依據及合理性表示意見。

3. 私募參考價格及暫定發行價格

本意見書暫以 2025 年 3 月 7 日為定價日，定價日前一、三、五個營業日之普通股收盤價簡單算術平均數扣除無償配股除權及配息，並加回減資反除權後平均每股股價分別為 38.2 元、38.55 元及 38.59 元；另定價日前三十個營業日普通股收盤價簡單算數平均數扣除無償配股除權及配息，並加回減資反除權後之股價為 39.42 元。

參考價格以上列二基準計算價格較高者定之，則私募普通股參考價格為每股新臺幣 39.42 元；本次私募普通股發行價格之訂定，以不低於參考價格之五成為訂定依據。

4. 私募合理價格計算

4.1 評價方法說明

評價的目的非常多元，評價方法也因目的不同而有所差異。為求評價之結果能公正客觀，評價過程中之基本假設及方法的選取就需融入專業的分析與判斷。一般企業評價之方法大致有收益法、資產法及市場法等三種方法，茲就各評價方法簡述如下：

4.1.1 收益法(Income-base approach)

收益法一般被公認為所有評價方法中最具有理論性之評價方法，該評價方法主要是根據財務學上之價值觀念，假設價值之來源是由企業所產生之未來收益流量所決定，並將未來收益以經營風險調整後之折現率(Discount rate)予以折現後，即可求得評價標的之價值。

另相較於市場法及資產法等評價方法，收益法注重投資所能帶來之未來收益流量，而非過去或現在之收益流量，因此該法亦被視為具前瞻性(Forward looking)之評價方法，正因該一前瞻性之特質，於收益法評價時不僅必須預測及推算未來收益流量外，於評價過程中所採用之折現率亦應進一步調整預期未來市場及企業風險，以符合該評價方法之基本精神。

4.1.2 資產法 (Asset-base approach)

資產法被定義為「以淨資產為基礎，對企業、企業所有人之權益或證券之價值進行評價之方法」。一般而言，資產法是依據公平市價、重置價值或清算價值，將企業現在之所有資產與負債逐一加以調整，再將調整後的資產總價值扣除調整後之負債總價值，即可得到調整後之權益價值。

目前資產法主要的評價特定方法可分為：重製成本（Reproduction Cost）與重置成本（Replacement Cost）。

4.1.3 市場法(Market-base approach)

市場法係以可類比(Comparable)標的之交易價格為依據，考量評價標的與經營同業(可類比標的)間之差異，以適當之乘數估算評價標的之價值。

就股東權益或企業價值評價而言，市場中可以參考之價格資訊，包括上市、櫃類似經營同業之股價、未上市、櫃企業之過去已成交之股權交易價格及評價標的本身過去已經成交之交易價格。

市場法依其所參考之價格資訊可區分為可類比公司法(Guideline Public Company Method)及可類比交易法(Guideline Transaction Method)。

4.2 選用之評價方法

評價方法之選取與決定，應考量評價標的之現況及評價目的，而不同之評價目的配合標的之現況，亦可能會產生不同之結論。

上述方法中，收益法雖為學理較為科學的方法，但實務上須依賴對未來現金流量(或利益流量)之預估，其中涉及較多的假設性項目，具有較高之不確定性，因此本意見書擬不採用。由於蓋曼立凱股票有公開市場之交易價格及可類比的經營同業，因此本意見書擬採用該公司市場交易價格(市場法之可類比交易法；亦稱為市價法)及市場法之可類比公司法，綜合評估評價標的每股之價值。

4.3 市價法

依據評價學理上之競爭與均衡原則，市場公平交易產生的交易價格，是資產最佳的價格指標。蓋曼立凱股票於財團法人中華民國證券櫃檯買賣中心掛牌買賣，因此本意見書以 2025 年 3 月 7 日為定價日，定價日(含)前一段時間之平均市場成交收盤價，作為計算蓋曼立凱合理股票價值之參考

項目	平均收盤價(元/股)
10 日除權息調整後收盤均價(元/股)	38.89
20 日除權息調整後收盤均價(元/股)	39.53
30 日除權息調整後收盤均價(元/股)	39.42
價值區間	38.89~39.53

資料來源：臺灣經濟新報資料庫；本意見書整理。

4.4 市場法

4.4.1.經營同業與價值乘數

蓋曼立凱主要業務為磷酸系電池正極材料之研發、生產及銷售，為磷酸鐵鋰電池正極材料廠商，本意見書依據嘉實資訊資料庫分析與其營運結構相似之競爭同業，並參酌管理當局之建議，選取產品較為相似之比較同業共計 3 家，彙整如下表：

股票代號/簡稱	交易市場	主要產品
5227 立凱-KY	OTC	磷酸鐵鋰電池正極材料(83.7%),其他(16.3%)
4721 美琪瑪	OTC	氧化觸媒(69%),電池材料相關原料(31.1%)
4739 康普	TSE	動力電池材料(49.3%),其他(24.2%),氧化觸媒(16.8%)
8038 長園科	OTC	電池模組(97.1%),其他(2.9%)

資料來源：臺灣經濟新報資料庫；本意見書整理。

蓋曼立凱與已上市櫃同業之財務狀況、獲利情形及本益比之比較資訊如下：

2023 年度

單位：新臺幣仟元

科目	5227 立凱-KY	4721 美琪瑪	4739 康普	8038 長園科
資產總額	1,314,218	1,646,918	9,920,226	1,121,667
負債總額	558,092	525,180	3,555,495	566,666
歸屬母公司業主權益	756,126	1,121,738	5,412,836	498,815
營業收入淨額	810,294	2,316,364	5,231,731	332,994
營業毛利	(93,371)	234,066	176,121	89,312
營業利益(損失)	(447,056)	115,074	(93,485)	2,500
本期淨利(損)	(519,356)	(24,543)	(74,426)	1,861
淨利歸屬於母公司業主	(519,356)	(24,543)	(100,229)	8
每股盈餘(元)	(7.00)	(0.33)	(0.93)	0.00

2024 年第三季(累積)

單位：新臺幣仟元

科目	5227 立凱-KY	4721 美琪瑪	4739 康普	8038 長園科
資產總額	1,085,976	1,735,814	9,615,204	1,024,611
負債總額	533,130	457,211	3,104,379	530,098
歸屬母公司業主權益	552,846	1,278,603	5,509,696	421,704

<表格接續下頁>

單位：新臺幣仟元

科目	5227 立凱-KY	4721 美琪瑪	4739 康普	8038 長園科
營業收入淨額	415,742	1,607,260	3,191,091	86,910
營業毛利	17,119	323,013	456,181	(2,054)
營業利益(損失)	(207,616)	209,365	184,893	(84,028)
本期淨利(損)	(203,673)	198,465	200,016	(80,151)
淨利歸屬於母公司業主	(203,673)	198,465	148,574	(78,643)
每股盈餘(元)	(3.00)	2.65	1.27	(1.26)
本益比(倍)(註)	(8.36)	22.81	39.27	(19.16)

註：本益比=各公司 2025.3.7 最近 30 日平均市值/可取得最近四季(或 12 個月)歸屬於母公司業主之淨利。

價值乘數之計算公式為股權價值或企業價值為分子，績效衡量值為分母。當使用股權價值或企業價值時，應確保分子所使用之價值基礎與分母使用之績效衡量值之邏輯基礎具相關性及一致性。

學理上績效衡量值包括收入、盈餘及權益帳面價值等，實務上以營業收入、可類比公司稅前息前折舊攤提前利潤、稅後淨利及權益帳面淨值為主要衡量指標，再依據績效衡量值對應之價值基礎(股權價值或企業價值)，形成企業價值與營業收入比(EV/Sales)、企業價值與稅前息前折舊攤提前利潤比(EV/EBITDA)、股權價值與淨值比(P/B)及本益比(P/E)等價值乘數，由於各價值乘數分別表彰不同價值面向，本意見書悉數採用，希望藉由多元的價值面向，綜合評估評價標的合理之理論價值。

本意見將上述可類比公司價值乘數計算彙整如下：

公司	EV/Sales (ttm)	EV/ EBITDA (ttm)	P/B (Price/Book) (mrq)	P/E (Price/Net Income) (ttm)
4721 美琪瑪	2.32	17.66	3.83	22.81
4739 康普	1.76	10.78	1.20	39.27
8038 長園科	13.53 *	(41.81)*	3.96	(19.16)*
平均數	2.04	14.22	3.00	31.04
中位數	2.04	14.22	3.83	31.04

資料來源：臺灣經濟新報資料庫；本意見書自行整理。

註 1：EV「Enterprise Value；企業價值」係代表歸屬於所有資本提供者（即股東與債權人）之權益。

註 2：P「股權價值」代表所有權益請求權之公允價值；權益價值亦可表達為企業價值減除所有非權益財務請求權之公允價值。

註 3：mrq：最近一季財務資料；ttm：最近四季(或 12 個月) 財務資料。

註 4：股票市值(Price；股權價值)以 2025.3.7 最近 30 日平均市值為計算基礎。

註 5：*係負值或極端值，將排除樣本之統計計算。

4.4.2. 市場法價值計算

本意見書依前述計算之價值乘數，推算蓋曼立凱每股理論價值。由於蓋曼立凱與盈餘相關之績效衡量值為負值，本意見書排除採用。由於營業收入比(EV/Sales)及股權價值與淨值比(P/B)之價值乘數所計算之股權理論價值，分別彰顯營業與帳面淨資產面向之價值，因此本意見書悉數採用，為避免調和權數主觀決定致價值結論產生偏誤，因此本意見書對此二個價值乘數計算結果給予相同之調和權數，將各面向之價值均等考量，求得蓋曼立凱普通股每股理論價值約為新臺幣 19.83 元。

單位：新臺幣仟元(除另有標示外)

項目	EV/Sales	EV/ EBITDA	P/B	P/E
蓋曼立凱財務數值(註)	534,294	(253,588)	552,846	(320,616)
價值乘數平均數(倍)	2.04	14.22	3.00	31.04
企業或股權理論價值	1,089,960	(3,606,021)	1,658,538	(9,951,921)
加：現金及約當現金	107,948	107,948		
金融資產-流動	60,119	60,119		
減：付息負債	219,834	219,834		
非控制權益	0	0		
股權理論價值	1,038,193	(3,657,788)	1,658,538	(9,951,921)
是否採用與調和權重	50%	不採用	50%	不採用
調和後普通股股權理論價值				1,348,366
已發行普通股數(仟股)				68,000
普通股每股理論價值(元)				19.83

註：最近一季或最近四季之財務數值。

4.5 價值彙總與調整

綜上所述，蓋曼立凱普通股每股理論價值介於新臺幣 19.83~39.53 元，由於各方法各有其理論依據，因此本意見書將市價法及市場法所計算價值依相同權數調和，另考量私募股票流動性受限而予以折價調整，調整後蓋曼立凱私募普通股每股價值之合理區間為新臺幣 19.67~26.71 元。

單位：新臺幣元

評價方法	每股價值	權數	價值區間	流動性折價	私募價值區間
市價法	38.89~39.53	50%	29.36~29.68	10%~33%	19.67~26.71
市場法	19.83	50%			

註：依據 Pratt, Shannon P., Business Valuation: Discounts and Premiums, N.Y, USA 之研究，具有規模且股權已具有公開發行能力者，其折價比例一般多介於具公開交易市場股價之 10% 至 33% 之間，本意見書依此區間為流動性折價調整參數。

5. 結論

經採上述方法計算及流動性折價調整，求得蓋曼立凱普通股每股私募價值之合理區間為新臺幣 19.67~26.71 元，而此次私募暫定參考價格為每股新臺幣 39.42 元，每股私募價值之合理區間約為暫定參考價格之 49.9%~67.76%，因此此次私募普通股發行價格之訂定，以不低於參考價格之五成為訂價依據，此成數介於前述合理區間，此次私募普通股定價成數尚屬合理。

專家簡歷表

姓 名： 吳明儀

學 歷： 國立臺北大學 會計研究所

經 歷： 勤業眾信聯合會計師事務所
中華民國會計師考試及格

現 職： 利安達平和聯合會計師事務所 所長

相 關 案 件： 三商美邦人壽保險股份有限公司之乙種特別股(及普通股)公平價值評估報告
渣打國際商業銀行股份有限公司之證券部門經紀業務公平價值運算報告
渣打國際商業銀行股份有限公司以成本衡量之金融資產公允價值評估報告
遠東國際商業銀行股份有限公司投資 Taiping Orient Funds SPC 之價格合理性意見書
晶達光電股份有限公司吸收合併崙瑪科技股份有限公司帳列商譽及無形資產減損測試報告
台灣水泥股份有限公司公開收購信昌化學工業股份有限公司收購價格合理性意見書
台灣水泥股份有限公司以股份轉換方式取得信昌化學工業股份有限公司全數已發行普通股股份轉換對價之合理性意見書
沛亨半導體股份有限公司與東荃科技股份有限公司換股比例合理性意見書
聯德控股股份有限公司取得關鍵禾芯科技股份有限公司股權價格合理性之專家意見書
神盾股份有限公司公開收購芯鼎科技股份有限公司收購價格合理性意見書
台名保險經紀人股份有限公司收購利可安保險經紀人股份有限公司帳列商譽減損測試報告
晶達光電股份有限公司吸收合併崙瑪科技股份有限公司帳列商譽減損測試報告
仁寶電腦工業股份有限公司公開收購普達系統股份有限公司收購價格合理性意見書
臺灣工銀租賃股份有限公司與日盛國際租賃股份有限公司合併換股比例合理性意見書
遠鼎股份有限公司取得使用權資產價格合理性複核意見書
精誠資訊股份有限公司公開收購藍新資訊股份有限公司收購價格合理性意見書
奇邑科技股份有限公司以股份轉換方式取得神雋股份有限公司全數已發行普通股股份之換股比例合理性意見書
精誠資訊股份有限公司處分臺灣期貨交易所股份有限公司普通股價格合理性意見書

7. Reply to the Securities Investors and Futures Traders Protection Center

A. In accordance with the letter the Securities Investor and Futures Trader Protection Center's letter No. 1140001193 dated April 14, 2025, the Company explained in the reply No. AC250422001 dated April 22, 2025, relevant matters are as follows.

1. Purpose of the Private Placement

The purpose of this private placement is to meet the funding needs of the Company's subsidiary for future development, either to enhance its working capital or to repay borrowings. Taking into consideration the timing, convenience, and issuance costs of fundraising, the Company has chosen private placement due to its swift and simplified process. Furthermore, the restriction that privately placed shares may not be freely transferred within three years ensures a stable and long-term relationship between the Company and its strategic investors. Therefore, the Company intends to raise funds through a private placement.

2. Impact on Management Rights

Although the proposed private placement shares will account for 29% of the Company's paid-in capital, the list of subscribers has not yet been finalized. This case serves only as a preparatory plan to expand financing channels. If it is evaluated and decided that the capital increase will be implemented, it will be carried out in no more than ten issuances within one year and will be structured to avoid any significant impact on the Company's management rights.

As the Company's board of directors resolved to conduct the private placement within one year prior to the scheduled re-election of directors, in accordance with the "Directions for Public Companies Conducting Private Placements of Securities," the Company has engaged Concord Securities to provide an assessment of the necessity and reasonableness of the private placement.

Please refer to pages 43 to 50 of this manual.

3. Impact on Shareholders' Equity

It is expected that with the support of strategic investors' experience, technology, and knowledge, the Company's operational performance will be enhanced, contributing to stable future growth and having a positive impact on shareholders' equity.

英屬蓋曼群島商立凱電能科技股份有限公司

私募必要性與合理性之評估意見

意見書委任人：英屬蓋曼群島商立凱電能科技股份有限公司

意見書收受者：英屬蓋曼群島商立凱電能科技股份有限公司

意見書指定用途：僅供英屬蓋曼群島商立凱電能科技股份有限公司辦理民國 114 年度私募有價證券使用

報告類型：證券承銷商出具辦理私募必要性與合理性之評估意見

評估機構：康和綜合證券股份有限公司



中 華 民 國 1 1 4 年 4 月 1 8 日

英屬蓋曼群島商立凱電能科技股份有限公司

114 年度私募有價證券必要性與合理性之證券承銷商評估意見

一、前言

英屬蓋曼群島商立凱電能科技股份有限公司(以下簡稱立凱-KY 或該公司)為充實營運資金或轉投資或其他因應未來發展之資金需求,以強化公司競爭力,已於 114 年 3 月 14 日董事會提案討論辦理私募發行普通股案,額度不超過 20,000 仟股,並擬於 6 月 3 日股東常會提案討論,授權董事會於一年內不超過十次辦理籌措資金。

本次立凱-KY 係依財團法人證券投資人及期貨投資人保護中心於 114 年 4 月 14 日證保法字第 1140001093 號函,以該公司本次私募額度逾其實收資本額之 29%,請該公司審慎評估私募之目的、對經營權之影響及對股東權益之影響,該公司並洽請本證券承銷商,對本次私募造成經營權移轉之合理性及必要性出具評估意見,尚符合公開發行公司辦理私募有價證券應注意事項(以下簡稱「應注意事項」)第四條第三項:「董事會決議辦理私募有價證券前一年內至該私募有價證券交付日起一年內,經營權發生重大變動者,應洽請證券承銷商出具辦理私募必要性與合理性之評估意見」之規定。

本評估意見之內容僅作為立凱-KY 於 114 年 6 月 3 日股東常會決議本次私募有價證券案之參考依據,不作為其他用途使用;此外,本評估意見係依據立凱-KY 所提供之資料以及於公開資訊觀測站之各項已公開資訊進行評估,至於後續因該公司進行本次私募案計畫變更、或發生其他情事可能導致本意見書內容變動之影響,本證券承銷商不另行更新,亦不負任何法律責任,特此聲明。

二、公司簡介

立凱-KY 成立於民國 96 年 11 月 16 日,於 102 年 12 月 9 日在櫃檯買賣中心掛牌上櫃,目前主要營業項目為磷酸系電池正極材料研發、製造與銷售,以及專利技術授權等,實收資本額為新台幣 680,000,000 元。以下為該公司最近三年度及最近期財務資訊:

(一)簡明資產負債表

單位：新台幣仟元

	111 年	112 年	113 年
流動資產	680,951	726,426	413,407
非流動資產	619,080	587,792	632,738
資產總計	1,300,031	1,314,218	1,046,145
流動負債	470,716	558,092	511,958
非流動負債	115,326	-	13,333
負債總計	586,042	558,092	525,291
股本	700,000	830,000	680,000
資本公積	515,044	429,000	429,000
保留盈餘	-525,471	-529,783	-615,054
其他權益	24,416	26,909	26,908
歸屬於母公司業主之權益合計	713,989	756,126	520,854
非控制權益	-	-	-
權益總計	713,989	756,126	520,854
每股淨值(元)	10.2	9.11	7.66

資料來源：公開資訊觀測站

(二)簡明綜合損益表

單位：新台幣仟元

	111 年	112 年	113 年
營業收入	707,524	810,294	591,256
營業成本	689,375	903,665	527,623
營業毛利（毛損）淨額	18,149	-93,371	63,633
營業費用	397,865	353,685	297,554
營業利益（損失）	-379,716	-447,056	-233,921
營業外收入及支出	-18,383	-20,350	-1,350
稅前淨利（淨損）	-398,099	-467,406	-235,271
所得稅費用（利益）	-	51,950	-
本期淨利（淨損）	-398,099	-519,356	-235,271
其他綜合損益（淨額）	295	2,493	-1
本期綜合損益總額	-397,804	-516,863	-235,272
淨利（淨損）歸屬於母公司業主	-398,099	-519,356	-235,271
淨利（淨損）歸屬於非控制權益	-	-	-
綜合損益總額歸屬於母公司業主	-397,804	-516,863	-235,272
綜合損益總額歸屬於非控制權益	-	-	-
基本每股盈餘（元）	-6.00	-7.00	-3.46

資料來源：公開資訊觀測站

三、承銷商評估意見

(一)適法性評估

立凱-KY 最近(113)年度經會計師查核簽證之合併財務報表歸屬於母公司業主權益之稅後虧損金額為新台幣 235,271 仟元，累積虧損金額為新台幣 615,054 仟元，不受「應注意事項」第 3 條第 1 項規定，公開發行公司最近年度為稅後純益且無累積虧損，應採公開募集方式發行有價證券之限制。

經查立凱-KY 本次私募普通股之發行價格不低於參考價格之五成，並已依「應注意事項」第 4 條第 1 項第 1 款第 4 目規定，洽請獨立專家就訂價之依據出具合理性意見並公告；另查該公司本次私募之應募對象係以符合證券交易法第 43 條之 6 及相關函令所規定條件之特定人為限。經檢視該公司董事會議事錄，已充分討論應募人之選擇方式與目的、必要性及預計效益，符合「應注意事項」第 4 條第 1 項第 2 款第 2 目規定。

在發行程序上，立凱-KY 已於今(114)年 3 月 14 日董事會決議通過辦理本次私募案件，並依財團法人證券投資人及期貨交易人保護中心於 114 年 4 月 14 日證保法字第 1140001093 號函，洽請證券承銷商出具評估意見，並於補行相關公告事宜後，將評估意見載明於股東會開會通知單。經瞭解該公司將依該函說明辦理。綜上評估，該公司本次辦理私募案件，尚符「應注意事項」規定及適法性之要求。

(二)必要性及合理性評估

立凱-KY 深耕鋰電池正極材料產業近十多年，累積多年研發及技術上之創新，在全球擁有 160 項獨家專利，並且是中國以外少數擁有完整 LFP 鋰電材料製造技術與專利的公司之一。

為因應市場變化，凸顯自身優勢，該公司已轉型為鋰智財服務商，加速推展授權業務，放棄低價客戶營收，以減少因中國傾銷帶來的嚴峻挑戰；並持續投入研發資源及提升技術能力，優化產品及客戶組合，透過現有資源朝其他電池材料發展，與合作夥伴一同申請關鍵材料專利，依客戶需求將專利商品化。同時，該公司與終端應用客戶共同開發驗證所需產品，透過鋰電池智財商業化服務平台整合各單位專利，將專利商品化，

再授權當地有意跨入電池材料廠商，由授權客戶製造生產，以滿足終端應用客戶需求；同時，在發展永續能源已被視為是全球環保的重要趨勢下，綠電儲能設備需求的增加、電動車磷酸鐵鋰(LFP)電池之擴大使用，未來都可望帶動公司營運成長，有利於該公司之永續經營。

在財務表現部分，該公司去(113)年度營收 591,256 仟元，較 112 年度 810,294 仟元減少 27.03%，然在持續調整產品結構下，營業成本下降，營業毛利由負轉正，稅後虧損亦由 112 年度的-519,356 仟元，減少至 113 年度的-235,271 仟元，顯示該公司的業務轉型，其成績已開始展現在財務績效上。

惟為持續發展，強化財務結構，該公司於 113 年度辦理減資彌補虧損，提升每股淨值，此外，該公司考量在連續虧損的情況下，公開募集難度較高，選擇以募集時效較快之私募有價證券，可及時取得資金以支應營運所需，亦可充實股本，並可藉由應募者之能力協助公司營運發展，對該公司有正面效益，故本次該公司辦理私募普通股，尚有其必要性及合理性。

(三)應募人之選擇與其可行性與必要性評估

1. 應募人之選擇

該公司本次私募應募人之選擇，並未規劃內部人或關係人，在策略性投資人部分，將選擇對該公司營運相當瞭解且有利於公司未來之營運者，藉應募人本身經驗、技術、品牌或通路等，以協助提高技術、改良品質、降低成本、增進效益之個人或法人，其資格擬授權董事會審查，並以須符合證券交易法第 43 條之 6 等相關法令所規定條件之特定人為限。

2. 應募人之可行性及必要性

私募有價證券有三年內不得自由轉讓之規定，將可更為確保公司與私募應募人間之長期合作關係，股權穩定性相對較高，且其選擇之目的，係為強化公司競爭力、提升營運效能，所募得資金則可健全公司財務結構及強化償債能力，並減少龐大之資金成本，並降低營運風險。故本次私募之應募人，應有其可行性及必要性。

(四)本次私募後對該公司業務、財務及股東權益之影響

1. 對公司業務之影響：

立凱-KY 本次私募如實際募集，擬引進之策略性投資人，將可藉由其本身經驗、技術、品牌或通路等，協助公司提高技術、改良品質、降低成本、增進效益，有利於公司未來之營運，且所募集資金可用於因應未來營運，對公司業務發展應有所助益。

2. 對公司財務之影響：

該公司本次辦理私募普通股，預計發行價格不低於參考價之五成，以該公司近期股價估算，尚不致折價發行，發行後可提升每股淨值並降低負債比率，相較於銀行借款可節省利息支出，強化現金流量，對該公司之財務狀況有所助益。

3. 對公司股東權益之影響：

(1) 本次私募額度 20,000 仟股若全數發行後，該公司實收股本由最近其財務報告之 68,000 仟股增加至 88,000 仟股，本次應募人合計占發行後總股數比例為 22.73%，對原股東持股稀釋效果較大，且有經營權異動之可能。惟該公司於本次私募係規劃於一年內不超過十次募集，如各次募集對象均不同且非共同預定取得該公司股份時，對其經營權異動影響之程度應可降低。

(2) 另查該公司股價長期間均高於面額，尚不致有以每股價格低於面額發行，而造成公司產生累積虧損之情事。

(五)評估意見總結

綜上所述，立凱-KY 本次規劃辦理私募普通股案件於適法性、資金用途、發行效益及目的、應募人之選擇、私募後對該公司業務、財務等項目，依本證券承銷商評估尚有其必要性及合理性；在股東權益之影響上，則宜注意本次預計私募額度如全數募集完成後，應募人合計占發行後總股數比例為 22.73%，對原股東持股比例稀釋幅度較大，並有可能產生經營權異動等情事。

獨立性聲明書

本公司受託就英屬蓋曼群島商立凱電能科技股份有限公司(以下簡稱立凱-KY) 114年度辦理私募有價證券之必要性與合理性，出具評估意見書。

本公司為執行上開業務，特聲明並無下列情事：

1. 本公司非為立凱-KY採權益法投資之被投資公司。
2. 本公司非對立凱-KY採權益法評價之投資者。
3. 本公司董事長或總經理與立凱-KY之董事長或總經理並非為同一人，或無具有配偶或二親以內之關係。
4. 本公司非為立凱-KY之董事或監察人。
5. 立凱-KY非為本公司之董事或監察人。
6. 本公司與立凱-KY間於上述情事外，並無證券發行人財務報告編制準則第十八條規定所訂關係人之關係。

為立凱-KY辦理私募普通股之必要性與合理性評估意見案，本公司提出之評估意見均維持超然獨立之精神。

評估人：康和綜合證券股份有限公司



中 華 民 國 1 1 4 年 4 月 1 8 日

(僅限英屬蓋曼群島商立凱電能科技股份有限公司 114 年度辦理私募普通股之證券承銷商評估意見使用)

B. In accordance with the letter the Securities Investor and Futures Trader Protection Center's letter 1140001372 dated April 25, 2025, the Company explained in the reply No. AC250502001 dated May 2, 2025, the relevant matters are as follows.

1. 意見書第 4 頁僅敘明評價基準日係以立凱公司 2024 年 9 月 30 日財務數據及最近期的市場資訊為計算基礎，並未敘明基準日之日期，核與評價準則公報第三號「評價報告準則」第五條定義之評價基準日（反映評價標的經濟價值之特定時點）不符。

獨立專家說明：

在採用收益法進行評價時，評價基準日可明確設定為特定時間點，例如 2024 年 9 月 30 日，並以該日之財務數據與相關評價參數為依據，據以作為整體評價架構之基礎，故其評價基準日具明確性與一致性。

惟在採用市場法之可類比公司法時，情況相對複雜。實務上，被評價公司雖仍以最近一期財務報表日（如 2024 年 9 月 30 日）作為財務資料基礎，惟為反映市場價格資訊的即時性與變動性，通常在選取可類比公司之市場乘數（如 P/E、EV/EBITDA）時，會採用接近評價報告日（如本意見書所載 2025 年 3 月 7 日）之市場交易價格進行計算。

此種作法使得所採用之價值乘數的市場價格時間點與被評價公司之財務資料時間點產生落差，亦即評價所依據的資料橫跨兩個不同時間點，使得評價基準日難以嚴格鎖定於單一時點。此一現象乃為市場法方法論上的一項限制。

因此本意見書對於評價基準日方以「本意見書以蓋曼立凱 2024 年 9 月 30 日財務數據及最近期的市場資訊為計算基礎」，揭露意見書閱讀者評價所計算之基礎資訊，符合充分揭露及容易理解，係屬合理。

2. 本案選用之評價方法僅一種，即市場法，惟意見書第 9 頁僅敘明不採用收益法之原因，而未論及為何不採用資產法，核與評價準則公報第十五號「評價方法及評價特定方法」第五條，如僅採用單一之評價方法，應有充分理由，並於評價報告中敘明之規定不符。

獨立專家說明：

一、本意見書採用二個方法，亦即市場交易價格(市場法之可類比交易法；亦稱為市價法)及市場法之可類比公司法，二者雖同屬「市場法」範疇，但在理論架構、比較基礎、評價模模型及使用情境上各具獨立性，實務上視為兩種不同評價技術。類似情形亦見於收益法，雖同屬收益法範疇，惟不同方法模型（如無形資產之超額盈餘法、權利金節省法、增額收益法等）間具有明顯理論與模型差異，評價實務中亦不視各方法模型為單一方法。

二、依據評價準則公報規範：「評價人員以資產法評價企業時，應以受評企業之資產負債表為基礎，逐項評估受評企業之所有有形、無形資產及應承擔負債之價值，並考量表外資產及表外負債。」此方法雖具備邏輯完整性，惟在實務執行上，需進行資產與負債項下之各科目個別重估、辨識潛在無形資產、並考量潛在風險與表外項目，評估作業時間及成本極高，於實務上將投入大量的作業時間與成本，且將反應較高的評估費用，因此實務上考量成本效益原則，意見書鮮少採用正確的資產法進行評價，因此本意見書不採用。

本案未於原意見書中敘明不採用資產法之理由，為一疏漏，現特於此補充說明，以符合法規規定並強化資訊之完整性。

3. 本案採用之評價特定方法包含市價法及可類比公司法，然意見書第 12 頁僅敘明各方法各有其理論依據，故依相同權數調和，而未依評價準則公報第十五號「評價方法及評價特定方法」第五條規定，於評價報告中敘明對不同價值估計間之差異予以分析並調節之過程。

獨立專家說明：

依據評價學理之「競爭與均衡原則」，市場中於公平交易條件下所產生之交易價格，係資產價值最直接且具參考性之指標。蓋曼立凱公司股票已於財團法人中華民國證券櫃檯買賣中心掛牌交

易，該等市場公開交易價格依據《IFRS 13 公允價值衡量》，屬公允價值第一等級輸入值，依規定應優先予以採用。

惟評價實務上，市場交易價格仍可能因受限於資訊透明度、產業關注度、流動性與市場氣氛等因素，而出現評價標的每股價值高估或低估之情形。故即便具備市場價格，評價人員仍透過其他合理評價方法（如市場法之可類比公司法、收益法等）進行交叉驗證，驗證其市價法之結論是否公允。

本意見書即採用市場法之可類比公司法進行驗證分析，計算蓋曼立凱公司普通股每股理論價值為新台幣 19.83 元，顯著低於其公開市場價格新台幣 38.89 元至 39.53 元之區間。對此種不同評價方法所得結果間存在差異之情形，依據《評價準則公報第十五號》第五條規定，應分析與調節各估值結果之差異，並據以形成單一合理價值結論。

然實務上，對不同方法估算結果進行調節，通常係透過賦予各方法適當權數進行調節。然而，權數比重高度仰賴主觀判斷，實際應用常面臨缺乏明確客觀依據對採用權數比重提供合理解釋及說明，因此面對主管機關審查詢問時，主觀判斷結果很難具體說明並提出依據。為避免主觀性過高所衍生之爭議，實務上常以各方法採相同權重進行調和，作為具備客觀性與可解釋性之替代處理方式。

本意見書市場交易價格為公允價值之第一等級，應優先適用，但依據市場法之可類比公司法驗證之結果，市場價值實有高估之虞，實務上，市場交易價格很難分析其價值為何有高估之原因，且提出客觀分析之量化理由與證據，因此解釋並分析市價法及市場法之可類比公司法不同價值估計間之差異，實屬困難，因此本意見書將市價法及市場法之可類比公司法所計算價值依相同權數調和，屬較適之作法，並無重大異常之情形。

- 4.此外，本案以前揭特定方法所得之價值區間為 29.36 元~29.68 元，考量私募股票之流動性受限，本案再以 10%~33%調整流動性折價，估得私募普通股價值區間為 19.67 元~26.71 元。惟立凱公司本次私募係以不低於參考價格(39.42 元)之五成即 19.71 元為訂價依據，意見書第 13 頁僅說明最低訂價介於私募價值區間故屬合理，而未分析說明該公司訂價依據於價值區間最下緣之合理性及妥適性。

獨立專家說明：

評價結果本質上為合理價值區間而非單一絕對值，旨在反映不同評價方法與市場條件下的估值範圍。既然本次訂價落於該區間之內，即表示其已在合理市場條件下成立，不論落於上限或下限，皆為合理訂價的範疇。

另蓋曼立凱普通股每股私募價值之合理區間為新臺幣 19.67~26.71 元，而此次私募暫定參考價格為每股新臺幣 39.42 元，每股私募價值之合理區間約為暫定參考價格之 49.9%~67.76%，因此此次私募普通股發行價格之訂定，以“不低於”參考價格之五成為訂價依據，雖貼近於下限，但本質實呼應“不低於”參考價格之五成之訂價依據（“不低於”參考價格之五成，實呼應不低於合理區間之下限），因此意見書結論並無重大不合理性及不妥適性之情形。

8.Modified Articles of Incorporation Revision Table



英屬蓋曼群島商立凱電能科技股份有限公司
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.

Articles of Incorporation Document Modification revision table

Item	Before modification	After modification	Reasons for modification
19-2	The Company choosing to issue <u>no</u> par value Shares shall not convert <u>its</u> <u>shares</u> into par value Shares.	The Company choosing to issue par value Shares shall not convert <u>those</u> <u>Shares into no par value Shares;</u> <u>likewise, the Company choosing to issue no par value Shares shall not convert those Shares into par value Shares.</u>	Article 137, Article 156-1, Paragraphs 5 and 6 of the Company Act
115	If the company shows a profit for a given year, one to 10 percent of the profit shall be appropriated as employee remuneration. No more than one percent of the profit shall be appropriated as directors' remuneration. However, if the company has accumulated losses, profits shall not be appropriated until the loss has been made up. Employee remuneration shall be in the form of stock or cash. The subject for receiving the remuneration is set out by the Board of Directors or its authorized person(s). <u>The allocation of employee and director remuneration shall be determined by a Board of Director resolution, where two-thirds or more of the directors are present, and at least half of those present agree to the resolution. Such Board resolution shall be reported at the shareholders meeting.</u>	If the company shows a profit for a given year, one to 10 percent of the profit shall be appropriated as employee remuneration. No more than one percent of the profit shall be appropriated as directors' remuneration. However, if the company has accumulated losses, profits shall not be appropriated until the loss has been made up. <u>The company shall also appropriate no less than one per cent of the profit for adjusting the salaries of, or distributing remuneration to, frontline employees.</u> Employee remuneration shall be in the form of stock or cash. The subject for receiving the remuneration <u>may include employees of a Subsidiary of the Company who meet certain criteria</u> is set out by the Board of Directors or its authorized person(s). <u>The subject for receiving the employee and director remuneration and the subject for receiving the adjustment of employee salary shall be determined by a Board of Director resolution, where two-thirds or more of the directors are present, and more than half of those present agree to the resolution. Such Board resolution shall be reported at the shareholders meeting.</u>	According to the provisions of Article 14 of the Securities and Exchange Act, as amended

9. Comparison table of the procedures for acquiring or disposing of assets before and after the revision



英屬蓋曼群島商立凱電能科技股份有限公司
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.

Regulations of Acquisition or Disposal of Assets Document Modification revision table

Item	Before modification		After modification		Reasons for modification
4.8	Investment Review <u>Committee</u> , Ministry of Economic Affairs		Investment Review <u>Department</u> , Ministry of Economic Affairs		Unit name modification
5.4.2	Decision-making authority	Authorization amount per transaction	Decision-making authority	Authorization amount per transaction	Revise the authority to approve transaction limits
	Chairman	NT\$60 million (inclusive) or less	President	NT\$30 million (inclusive) or less	
	Board of Directors	NT\$60 million or more	Chairman	NT\$30 million to NT\$60 million (inclusive)	
			Board of Directors	NT\$60 million or more	
5.4.3	Executing Unit: The acquisition and disposal of securities investments by this Corporation shall be executed by the Finance Department or other relevant responsible units.		Executing Unit: The acquisition and disposal of securities investments <u>of this Corporation that are subject to approval by the Board of Directors in accordance with these Regulations or other laws and regulations shall be subject to the completion of the "Asset Acquisition or Disposal Inspection Form" and submitted to the responsible unit supervisor and the Chairman for signature, and attached as an attachment to the Board of Directors' agenda.</u> The executing unit shall be the Finance Department or relevant responsible unit.		Added "Asset Acquisition or Disposal Checklist" task
5.5.2	Decision-making authority	Authorization amount per transaction	Decision-making authority	Authorization amount per transaction	Revise the authority to approve transaction limits
	Chairman	NT\$60 million (inclusive) or less	President	NT\$30 million (inclusive) or less	
	Board of Directors	NT\$60 million or more	Chairman	NT\$30 million to NT\$60 million (inclusive)	
			Board of Directors	NT\$60 million or more	
5.5.3	Executing Unit: The acquisition and disposal of real estate, equipment or their right-to-use assets of the Company shall be executed by the Finance Department or relevant responsible units.		Executing Unit: The acquisition and disposal of real estate, equipment or their right-to-use assets of the Company, <u>which shall be approved by the Board of Directors in accordance with these Regulations or other laws, shall be subject to the completion of the "Asset Acquisition or Disposal Checklist" and submitted to the responsible unit supervisor and the Chairman for signature, and attached as an attachment to the Board of Directors' agenda.</u> The executing unit shall be the Finance Department or relevant responsible unit.		Added "Asset Acquisition or Disposal Checklist" task

Item	Before modification		After modification		Reasons for modification
5.6.11	None		<u>Executing Unit: The Company's acquisition and disposal of real estate or its right-to-use assets from related parties, which shall be approved by the Board of Directors in accordance with these Regulations or other laws, shall fill out the "Asset Acquisition or Disposal Checklist" and submit it to the responsible unit supervisor and the Chairman for signature, and attach it to the Board of Directors' agenda. The executing unit shall be the Finance Department and relevant responsible units.</u>		Added "Asset Acquisition or Disposal Checklist" task
5.7.3	Decision-making authority	Authorization amount per transaction	Decision-making authority	Authorization amount per transaction	Revise the authority to approve transaction limits
	Chairman	NT\$60 million (inclusive) or less	President	NT\$30 million (inclusive) or less	
	Board of Directors	NT\$60 million or more	Chairman	NT\$30 million to NT\$60 million (inclusive)	
			Board of Directors	NT\$60 million or more	
5.7.4	Executing Unit: The acquisition and disposal of membership cards and intangible assets or their right to use assets of the Company shall be executed by the Finance Department and relevant responsible units.		<u>Executing Unit: The acquisition and disposal of membership cards and intangible assets or their right to use assets of the Company, which shall be approved by the Board of Directors in accordance with these Regulations or other laws, shall be subject to the completion of the "Asset Acquisition or Disposal Checklist" and submitted to the responsible unit supervisor and the Chairman for signature, and attached as an attachment to the Board of Directors' agenda. The executing unit shall be the Finance Department and relevant responsible units.</u>		Added "Asset Acquisition or Disposal Checklist" task
5.9.1	(3.2) Finance Unit: Responsible for formulating the operational strategies for derivative products and conducting various transactions in accordance with the authorized authority.		<u>(3.2) Finance Unit: Responsible for formulating the operational strategies for derivative products and conducting various transactions in accordance with the authorized authority. For those that need to be approved by the board of directors in accordance with these regulations or other laws, the "Asset Acquisition or Disposal Inspection Form" must be completed and submitted to the responsible unit manager and the chairman for signature, and attached as an attachment to the board of directors' agenda.</u>		Added "Asset Acquisition or Disposal Checklist" task

Item	Before modification	After modification	Reasons for modification
5.9.5	The Company shall establish a memorandum of <u>reference for derivative transactions</u> , and shall record in the memorandum for record the types, amounts, dates of approval by the Chairman or the Board of Directors of the derivative transactions, and matters that should be carefully evaluated pursuant to Sections 5.9.6(1), 5.9.4(1)(1.2) and 5.9.4(2)(2.1).	When the Company engages in derivatives transactions, it shall establish a " <u>Derivatives Reference Book</u> " to record in detail the types of derivatives transactions, amounts, dates of approval by the Chairman or the Board of Directors, and matters that should be carefully evaluated pursuant to 5.9.6(1), 5.9.4(1)(1.2) and 5.9.4(2)(2.1).	Revision form name
5.10.11	None	<u>Executing Unit: The acquisition and disposal of assets related to the merger, split, acquisition or share transfer of the Company, which shall be approved by the Board of Directors in accordance with this Regulation or other laws and regulations, shall fill in the "Acquisition or Disposal of Assets Inspection" form. The "Check List" shall be submitted to the responsible unit supervisor and chairman for signature, and attached with the board of directors' agenda. The execution unit shall be the financial department and relevant responsible units.</u>	Added "Asset Acquisition or Disposal Checklist" task
6 6.1	References: None	References: <u>6.1 Investment Management Standards (S-FA-I-001).</u> <u>6.2 Procurement and Payment Standards (S-PD-I-001).</u>	Adjustments in accordance with this regulation
7 7.1 7.2	Related forms: Derivatives reference book.	Related forms: Derivatives Reference Book <u>(D-FA-I-004).</u> <u>Acquisition or Disposition of Assets Checklist (D-FA-I-023).</u>	Newly added relevant usage form names in accordance with this method

Item	Before modification	After modification	Reasons for modification
8 8.1	appendix: none Job Certificate none	appendix <u>Check the contents.</u> Job Credentials: <u>1. Derivatives Reference Book (D-FA-I-004).</u> <u>2. Asset Acquisition or Disposal Checklist (D-FA-I-023)</u> <u>Note:</u> <u>1. Whether the acquisition or disposal of various assets is handled in accordance with the provisions of these Measures.</u> <u>2. When the acquisition or disposal of various assets is submitted to the Audit Committee or the Board of Directors, whether the "Asset Acquisition or Disposal Checklist" is filled out as a review attachment.</u>	In line with this regulation, new usage form names and precautions are added

VIII. Appendix

1. Articles of Incorporation (Pre-modified)



英屬蓋曼群島商立凱電能科技股份有限公司
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.

THE COMPANIES ACT (AS AMENDED)

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED MEMORANDUM

AND ARTICLES OF ASSOCIATION OF

Advanced Lithium Electrochemistry (Cayman) Co., Ltd.

(Adopted by a Special Resolution dated June 28, 2024)

TABLE OF CONTENTS

TABLE A	1
Interpretation.....	1
Preliminary	5
Shares.....	5
Power to issue Shares.....	5
Preferred Shares	8
Variation of Rights Attaching to Shares	8
Share Certificates.....	9
Private Placement	10
Fractional Shares	10
Alteration of Share Capital	10
Purchase of Own Shares	10
Transfer of Registered Shares	14
Transmission of Shares.....	14
Closing Register of Members or Designating a Record Date	15
Meetings of Members.....	15
General Meetings.....	15
Notice of General Meetings	16
Quorum and Proceedings at General Meetings.....	18
Votes of Members.....	20
Borrowing Powers of Directors	32
Disqualification of Directors	32
Proceedings Of Directors.....	33
Meetings of the Board of Directors.....	33
Dividends, BONUS and RESERVE	37
Accounts And Audit.....	39
Capitalisation	40
Share Premium Account	41
AUDIT COMMITTEE.....	41
Compensation Committee.....	42
Tender Offer	43
Notices	43
Winding Up	44
Amendment Of Articles Of Association	45
Registration By Way Of Continuation.....	45

THE COMPANIES ACT (AS AMENDED)

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED

MEMORANDUM OF ASSOCIATION

OF

Advanced Lithium Electrochemistry (Cayman) Co., Ltd.

(Adopted by a Special Resolution dated June 28, 2024)

1. The name of the Company is Advanced Lithium Electrochemistry (Cayman) Co., Ltd..
2. The Registered Office shall be 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 or at such other location as the Directors may from time to time determine.
3. Subject to the following provisions of this Memorandum, the object for which the Company is established are unrestricted and the Company has full power and authority to carry out any object not prohibited by any law of the Cayman Islands. When conducting its business, the Company shall also comply with the laws and regulations of ROC as well as business ethics and may take actions which will promote public interests in order to fulfill its social responsibilities.
4. Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of The Companies Act (as amended).
5. Nothing in this Memorandum shall permit the Company to carry on a business for which a licence is required under the laws of the Cayman Islands unless duly licensed.
6. The Company shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company from effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
7. The liability of each member is limited to the amount from time to time unpaid on such member's shares.
8. The share capital of the Company is New Taiwan Dollars 3,000,000,000 divided into

300,000,000 shares of a nominal or par value of New Taiwan Dollars 10.00 each provided always that subject to the provisions of the Companies Act (as amended) and the Articles of Association the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be Ordinary, Preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

9. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies Act (as amended) and, subject to the provisions of the Companies Act (as amended) and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

THE COMPANIES ACT (AS AMENDED)

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED

ARTICLES OF ASSOCIATION

OF

Advanced Lithium Electrochemistry (Cayman) Co., Ltd.

(Adopted by a Special Resolution passed dated [June 28], 2024)

TABLE A

The Regulations contained or incorporated in Table A in the First Schedule of the Companies Act (as amended) shall not apply to this Company.

INTERPRETATION

1. In these Articles:

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

"Articles" means these Articles of Association as from time to time amended by Special Resolution;

"Audit Committee" means the audit committee under the Board of Directors, which shall comprise solely of Independent Directors of the Company;

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

"Company" means Advanced Lithium Electrochemistry (Cayman) Co., Ltd.;

"Compensation Committee" means a committee of the Board of Directors, which shall comprise of professional individuals and have the functions prescribed by the Applicable Public Company Rules;

"Directors" and **"Board of Directors"** means the Directors of the Company for the time being, or as the case may be, the Directors assembled as a Board or as a committee thereof, and shall include any and all Independent Director(s);

"Electronic Record" shall have the meaning given to it in the Electronic Transactions Law;

"Electronic Transactions Law" means the Electronic Transactions Law (as amended) of the Cayman Islands;

"FSC" means the Financial Supervisory Commission of the Republic of China;

"GTSM" means the GreTai Securities Market;

"Independent Directors" means the Directors who are elected as "Independent Directors" for the purpose of Applicable Public Company Rules;

"Market Observation Post System" means the public company reporting system maintained by the Taiwan Stock Exchange Corporation;

"Member" or **"Shareholder"** means a person whose name is entered in the Register of Members and includes each subscriber to the Memorandum of Association pending the issue to him of the subscriber share or shares;

"Memorandum of Association" means the Memorandum of Association of the Company, as amended and re-stated from time to time;

"Merger" means a transaction whereby:

- (a) (i) all of the companies participating in such transaction are dissolved, and a new company is incorporated to generally assume all rights and obligations of the dissolved companies; or (ii) all but one company participating in such transaction are dissolved, and the surviving company generally assumes all rights and obligations of the dissolved companies, and in each case the consideration for the transaction being the shares of the surviving or newly incorporated 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 Applicable Public Company Rules;

"Officer" means any person appointed by the Board of Directors to hold an office in the Company;

"Ordinary Resolution" means 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;

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

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

"Preferred Shares" has the meaning given thereto in Article 16;

"Registered Office" means the registered office of the Company as provided in Section 50 of the Companies Act;

"Register of Members" means the register of members maintained in accordance with the Companies Act and if the Company is listed on the GTSM, the Applicable Public Company Rules;

"Private Placement" means, after the Shares are listed on the GTSM, 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 in the ROC, as prescribed under the Applicable Public Company Rules and permitted by the competent securities authority in the ROC, but excluding any employee incentive programme or subscription agreement, warrant, option or issuance of shares under Articles 10, 13 and 15 hereof;

"ROC" means Taiwan, the Republic of China;

"Secretary" means any Person appointed by the Directors to perform any of the duties of the secretary of the Company;

"Share" and **"Shares"** means any share in the capital of the Company;

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

"signed" includes a signature or representation of a signature affixed by mechanical means;

"Special Resolution" subject to the Companies Act, means a resolution passed in accordance with Section 60 of the Companies Act, being a resolution passed by a majority of at least two-thirds of the votes cast by such Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a Special Resolution has been duly given;

"Subsidiary" means, with respect to any company, (1) the entity, more than one half of whose total number of the outstanding voting shares or the total amount of the capital stock are directly or indirectly held by such company; (2) the entity that such company has a direct or indirect control over its personnel, financial or business operation; (3) the entity, one half or more of whose executive shareholders or board directors are concurrently acting as the executive shareholders or board directors of such company; and (4) the entity, one half or more of whose total number of outstanding voting shares or the total amount of the capital stock are held by the same shareholder(s) of such company;

"Supermajority Resolution" means a resolution 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 or, if the total number of shares represented by the Members present at the general meeting is less than two-thirds of the total outstanding Shares, but more than one half of the total outstanding Shares, means instead, a resolution 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;

"Treasury Shares" has the meaning given thereto in Article 28.

2. In these Articles, save where the context requires otherwise:
 - (a) words importing the singular number shall include the plural number and vice versa;
 - (b) words importing the masculine gender only shall include the feminine gender;
 - (c) words importing persons only shall include companies or associations or bodies of persons, whether corporate or not;

- (d) **"may"** shall be construed as permissive and **"shall"** shall be construed as imperative;
 - (e) reference to "written" and "in writing" shall include all modes of representing or reproducing words in visible form, including the form of an Electronic Record;
 - (f) references to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force; and
 - (g) Section 8 of the Electronic Transactions Law shall not apply.
3. Subject to the last two preceding Articles, any words defined in the Companies Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.
- 3-1. In the case of any conflict between these Articles and the Applicable Public Company Rules, these Articles shall prevail.

PRELIMINARY

4. The business of the Company may be commenced as soon after incorporation as the Directors see fit.
5. The Registered Office shall be at such address in the Cayman Islands as the Directors shall from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.

SHARES

Power to Issue Shares

6. Subject to these Articles and to any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board of Directors, subject to Article 17, shall have the power to issue any unissued Shares on such terms and conditions as it may determine and any shares or class of shares (including the issue or grant of options, warrants and other rights, renounceable or otherwise in respect of shares) may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may by resolution of the Members prescribe, provided that no share shall be issued at a discount except in accordance with the Companies Act.

7. Unless otherwise provided in these Articles, the issue of new Shares shall be approved by the Board of Directors. The issue of new shares shall at all times be subject to the sufficiency of the authorized capital of the Company.
8. Where the Company increases its issued share capital by issuing new shares for cash consideration in the ROC, the Company shall allocate 10% of the total amount of the new shares to be issued, for public offering in the ROC, unless it is deemed as either unnecessary or inappropriate by the FSC or GTSM for the Company to conduct the aforementioned public offering. However, if a percentage higher than the aforementioned 10% is resolved by a general meeting for public offering in the ROC, then such higher percentage determined by resolution shall prevail. The Company shall also reserve 10% to 15% of the total amount of such newly issued shares for subscription by the employees of the Company and its Subsidiaries. The Company may prohibit such employees from transferring the shares so subscribed within a certain period; provided, however, that such a period cannot be more than two years.
9. For so long as the Shares are listed on the GTSM, unless otherwise resolved by the Shareholders at a general meeting by Ordinary Resolution, where the Company increases its issued share capital by issuing new shares for cash consideration under Article 8 above, the Company shall make a public announcement and notify each Member that he/she/it is entitled to exercise a pre-emptive right to purchase his/her/its pro rata portion of the remaining new shares (after allocation of the public offering portion and the employee subscription portion in Article 8) issued in the capital increase for cash consideration and notice period for issuing new shares. The Company shall state in such announcement and notices to the Members that if any Member fails to subscribe his/her/its pro rata portion of such remaining newly-issued shares within the prescribed period, such Member shall be deemed to forfeit his/her/its pre-emptive right to such newly-issued shares. In the event that 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. If the total number of the new shares to be issued has not been fully subscribed by the Members within the prescribed period, the Company may consolidate such shares into the public offering tranche or offer any un-subscribed new shares to a specific person or persons according to the Applicable Public Company Rules.
10. Subject to the provisions of the Companies Act, the Company may issue new shares with restricted rights (the "**Restricted Shares**") to the

employees of the Company and its Subsidiaries with the sanction of a Supermajority Resolution provided that Article 8 hereof shall not apply. For so long as the Shares are listed on the GTSM, the terms of issue of the Restricted Shares, including but not limited to, the number of Restricted Shares so issued, issue price of Restricted Shares and other related matters shall be in accordance with the Applicable Public Company Rules.

11. The pre-emptive right of Members under Article 9 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 pursuant to any reorganization of the Company;
 - (b) in connection with meeting the Company's obligations under employee warrants and/or options, including those rendered in Articles 13 and 15 hereof;
 - (c) in connection with the issue of Restricted Shares in accordance with Article 10 hereof;
 - (d) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire shares;
 - (e) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire shares; or
 - (f) in connection with a Private Placement.
12. Unless otherwise provided herein, the Company shall not issue any unpaid shares or partly paid-up shares.
13. Notwithstanding Article 10 hereof, the Company may, upon approval by the Board of Directors, adopt one or more incentive programmes and may issue options, employee warrants or other similar instruments or distribute cash, to employees of the Company and its Subsidiaries, and in accordance with the **Applicable Public Company Rules**. Options, employee warrants, or other similar instruments issued in accordance with this Article are not transferable save by inheritance.
14. Directors of the Company and its Subsidiaries shall not be eligible for the Restricted Shares under Article 10 hereof or the incentive programmes under Article 13 above, provided that directors who are also employees of the Company or its Subsidiaries may subscribe for the Restricted Shares or

participate in an incentive programme in their capacity as an employee and not as a director of the Company or its Subsidiaries.

15. The Company may enter into agreements with employees of the Company and/or the employees of its Subsidiaries in relation to the incentive programme approved pursuant to Article 13 above, whereby employees may subscribe, within a specific period, a specific number of shares or securities. The terms and conditions of such agreements shall be no favourable to relevant employee than the terms specified in the applicable incentive programme.

PREFERRED SHARES

16. Notwithstanding any provisions of these Articles, the Company may by Special Resolution designate one or more classes of Shares with each class having such preferred or other special rights as the Company, by Special Resolution, may determine (shares with such preferred or other special rights, the "**Preferred Shares**"), and cause to be set forth in these Articles. The rights and obligations of Preferred Shares may include (but are not limited to) the following terms and shall be consistent with the Applicable Public Company Rules:
 - (a) order, fixed amount or fixed ratio of allocation of dividends and bonus on Preferred Shares;
 - (b) order, fixed amount or fixed ratio of allocation of surplus assets of the Company;
 - (c) order of or restriction on the voting right(s) (including declaring no voting rights whatsoever) of preferred Shareholders;
 - (d) 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.

Variation of Rights Attaching to Shares

17. If at any time the share capital is divided into different classes of shares, the rights attaching to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied or abrogated with the sanction of a Special Resolution passes 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 and shall also be adopted by a Special Resolution passed at a separate meeting of Members of that class of shares.

18. 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 or abrogated by the creation or issue of further shares ranking pari passu therewith or the redemption or purchase of shares of any class by the Company.

Share Certificates

19. Subject to the provisions of the Companies Act, the Company may issue shares without printing share certificates for the Shares issued, and the details regarding such issue of shares shall be entered in the Register of Members of the Company and recorded by Taiwan Depository & Clearing Corporation 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 certificate may be issued with the authorised signature(s) affixed by mechanical process. All certificates shall specify the share or shares held by that person and the amount paid up thereon, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.
 - 19-1 The Company shall not issue Shares to bearer.
 - 19-2 The Company choosing to issue no par value Shares shall not convert its shares into par value Shares.
20. If a share certificate is defaced, lost or destroyed it may be renewed on such terms, if any, as to evidence and indemnity as the Directors think fit.
21. In the event the Board of Directors resolves that share certificates shall be issued pursuant to Article 19 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 Companies Act, the Memorandum of Association, 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.

Private Placement

- 21-1 Subject to the Companies Act, the Company may, by Special Resolution, issue securities by way of Private Placement within the territory of the ROC in accordance with Applicable Public Company Rules.
- 21-2 Notwithstanding Article 21-1 hereof, the ordinary corporate bonds to be issued through Private Placement by the Company in accordance with the Articles and the Applicable Public Company Rules may be offered in different tranches within one year of the date of the meeting of the Directors approving such Private Placement.

Fractional Shares

- 22. Subject to these Articles, the Board of Directors may issue fractions of a share of any class of shares, and, if so issued, a fraction of a share (calculated to three decimal points) shall be subject to and carry the corresponding fraction of liabilities (whether with respect to any unpaid amount thereon, contribution, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without limitation, voting and participation rights) and other attributes of a whole share of the same class of shares.

Alteration of Share Capital

- 23. Subject to the Companies Act, the Company may from time to time by amendment of this Article increase its authorized share capital by such amount as it thinks expedient or by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by law.

Purchase of Own Shares

- 24. Subject to the provisions of the Companies Act, the Company may issue Shares that are to be redeemed or are liable to be redeemed at the option of the Member or the Company. The redemption of such Shares shall be effected in such manner as the Company may, by Special Resolution, determine before the issue of the Shares.
- 25. Subject to the provisions of the Companies Act, the Articles and the Applicable Public Company Rules, 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, purchase its own Shares (including any redeemable Shares and the Shares listed on the GTSM) provided that, for so long as the Shares are listed on the GTSM, any such repurchase shall be in accordance with the Applicable Public Company

Rules and shall be subject to the rules and restrictions set forth in Article 26 hereof.

- 25-1 In the event that the Company proposes to purchase any Share listed on the GTSM pursuant to the preceding Article, the approval of the Board of Directors and the implementation thereof shall be reported to the Members at the next general meeting in accordance with the Applicable Public Company Rules. Such reporting obligation shall apply even if the Company does not implement the purchase of the Shares listed on the GTSM for any reason.
26. For so long as the Shares are listed on the GTSM, the Company is authorised to purchase any Share listed on the GTSM in accordance with the following manner of purchase:
- (a) the total price of the Shares purchased by the Company shall not exceed the sum of retained earnings less any distribution or dividends which have been declared by the Company plus the following realized capital reserve:
 - (i) any premium received from the disposal of assets that has not been booked as retained earnings;
 - (ii) the premium received on the issuance of any share and income from endowments received by the Company;
 - (b) the maximum number of Shares purchased by the Company shall not exceed ten percent of the total number of issued and outstanding Shares; and
 - (c) the purchase shall be at such time, at such price and on such other terms as determined and agreed by the Board in its sole discretion provided however that:
 - (i) such purchase transactions shall be in accordance with the Applicable Public Company Rules; and
 - (ii) such purchase transactions shall be in accordance with the Companies Act.
- 26-1 Subject to the Companies Act and Applicable Public Company Rules, the Company may by Special Resolution redeem or purchase its own Shares by reducing and making payment out of its share capital or any capital redemption reserve. Any such redemption or purchase and the payment out of share capital or capital redemption reserve must be made to all Members pro rata based on the percentage of shareholdings of the

Members, unless otherwise provided for in the Companies Act or the Applicable Public Company Rules.

27. The Company may make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Companies Act, including out of capital.
28. Unless otherwise provided herein, Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) shall be cancelled immediately or held as treasury shares ("**Treasury Shares**") at the discretion of the Directors.
29. No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up) may be made to the Company in respect of a Treasury Share.
30. The Company shall be entered in the Register of Members as the holder of the Treasury Shares provided that:
 - (a) the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
 - (b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of these Articles or the Companies Act.
31. Subject to the provisions of the Companies Act, the Articles and the Applicable Public Company Rules, Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Directors provided that, for so long as the Shares are listed on the GTSM, any Treasury Shares not disposed of or otherwise transferred by the Company within three years from the date of the repurchase shall be cancelled immediately when the 3-year period has elapsed.
32. Notwithstanding Article 31 above, after the Company purchases the Shares listed on the GTSM, any proposal to transfer Treasury Shares to the employee of the Company or its Subsidiaries by the Company at a price below the average repurchase price paid by the Company shall be subject to the approval of two-thirds or more of the shareholders attending the general meeting who represent a majority of the total number of the Company's outstanding shares at the most recent general meeting. The handbook of the general meeting shall list and explain the following matters, which may not be made by ad hoc motion:

- (a) the basis and reasonableness of the determined transfer price, discount ratio and calculation;
- (b) the number, purpose and reasonableness of the proposed share transfer;
- (c) conditions for and volume of shares purchased by the employee; and
- (d) any effect on the shareholders' rights:
 - (i) the expensed amount and any dilution of the Company's shares; and
 - (ii) any financial burden on the Company caused by transfer of shares to employees at a price lower than the average repurchase price paid by the Company.

The aggregate number of Treasury Shares transferred to employees upon resolution by one or more general meetings shall not exceed five percent of the Company's total outstanding shares at the time of any such transfer, and the aggregate number of Treasury Shares purchased by each employee shall not exceed 0.5 percent of the Company's total outstanding shares at the time of any such purchase.

For those Treasury Shares transferred by the Company to the employees, the Company may impose restrictions on the transfer of such Shares by the employees for a period of no more than two years.

REGISTRATION OF SHARES

Register of Members

- 33. For so long as the Company is listed on the GTSM, the Directors shall keep, or cause to be kept, the Register of Members at such place as the Directors may from time to time determine and, which shall be maintained in accordance with the Companies Act and the Applicable Public Company Rules.
- 34. In the event that the Company has Shares that are not traded on the GTSM, the Company shall also cause to be kept a register of such Shares in accordance with Section 40 of the Companies Act.
- 35. Title to Shares traded on the GTSM may be evidenced and transferred in a manner consistent with the Applicable Public Company Rules.

Transfer of Registered Shares

36. The instrument of transfer of any share shall be in any usual or common form or such other form as the Board of Directors may, in their absolute discretion, approve and be executed by or on behalf of the transferor and if so required by the Board of Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the shares to which it relates and such other evidence as the Board of Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a shareholder until the name of the transferee is entered in the Register of Members in respect thereof.
37. The registration of transfers may be suspended when the Register of Members is closed in accordance with Article 42 hereof.
38. All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the Board of Directors declines to register shall (except in any case of fraud) be returned to the person depositing the same.
39. Notwithstanding the preceding 3 Articles, Shares traded on the GTSM shall be transferred in a manner consistent with the Applicable Public Company Rules.

Transmission of Shares

40. The successor or the legal personal representative of a deceased sole holder of a share shall be the only person recognised by the Company as having any title to the share. In the case of a share registered in the name of two or more holders, the survivors or survivor shall be the only person recognised by the Company as having any title to the share.
41. Any person becoming entitled to a share in consequence of the death or bankruptcy or liquidation or dissolution of a Member shall upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt or liquidated or dissolved person could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or bankrupt or liquidated or dissolved person before the death or bankruptcy or liquidation or dissolution. In such case, the person becoming entitled shall execute in favor of such transferee an instrument of transfer in writing in the form as the Board of Directors may accept.

Closing Register of Members or Designating a Record Date

42. For the purpose of determining those Members that are entitled to receive notice of, attend or vote at any meeting of Members or any adjournment thereof, or those Members that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Member for any other purpose, the Board of Directors may provide that the Register of Members shall be closed for transfers for a stated period. For so long as the shares are listed on the GTSM, the Register of Members shall be closed for a period not less than the minimum period of time as prescribed by the Applicable Public Company Rules.
43. Other than the closing of the Register of Members for registration of transfer of shares, the Board of Directors may designate a record date in advance to determine the Members who are entitled to receive notice of, attend or vote at any meeting of Members or those Members that are entitled to receive payment of any dividend. The Directors shall make a public announcement of the designation of such record date on the Market Observation Post System or the website designated by the FSC or GTSM pursuant to the Applicable Public Company Rules, if required.

MEETINGS OF MEMBERS

General Meetings

44. All general meetings other than annual general meetings shall be called extraordinary general meetings.
45. The Directors may, whenever they think fit, convene a general meeting of the Company; provided that the Company shall in each year hold a general meeting as its annual general meeting within six months following the end of each fiscal year and shall specify the meeting as such in the notices calling it.
- 45-1. The shareholders' meeting of the company may be held by video conference or other means announced by the central competent authority.

If the shareholders' meeting is held by video conference, the shareholders who participate in the meeting by video conference shall be deemed to be present in person.

If the securities competent authority has other provisions on the conditions, operating procedures and other matters to be regulated for the adoption of video shareholders' meeting, such provisions shall prevail.

46. Before the Shares are listed on the GTSM, the Board of Directors may convene a general meeting at any location at their sole discretion. For so long as the Shares are listed on the GTSM, unless otherwise provided by the Companies Act, the Company shall convene a physical shareholders meeting within the territory of the ROC. For so long as the Shares are listed on the GTSM, if the Board of Directors resolves to hold a general meeting outside the ROC, the Company shall apply for the approval of the GTSM therefor within two days after the Board of Directors adopts such resolution. Where such physical shareholders meeting is to be held outside the ROC, the Company shall engage a professional Shareholders' Service Agent in the ROC to handle the administration matters of such general meeting (including but not limited to the handling of the voting of proxies submitted by any Members).
47. For so long as the Shares are listed on the GTSM, general meetings shall also be convened on the written requisition of any Member or Members holding at least 3 per cent of the paid up voting share capital of the Company for a period of one year or a longer time and such written requisition shall be deposited at the Registered Office or the Shareholders' Service Agent specifying the objects of the meeting and the reason therefor signed by the requisitionists, and if the Board of Directors does not within fifteen days from the date of the deposit of the requisition dispatch the notice of such general meeting, and for so long as the Shares are listed on the GTSM, the requisitionists themselves may convene the general meeting in the same manner, as nearly as possible, as that in which general meetings may be convened by the Directors.
- 47-1 For so long as the Shares are listed on the GTSM, Members continuously holding fifty percent or more of the paid up voting share capital of the Company for a period of three months or a longer time may convene extraordinary general meeting. The calculation of the holding period and holding number of share capital shall be based on the holding at the time of closing register of members date.

Notice of General Meetings

48. Before the Shares are listed on the GTSM, at least seven days notice counting from the date service is deemed to take place as provided in these Articles specifying the place, the day and the hour of the meeting and the general nature of that business, shall be given in the manner hereinafter provided to such persons as are, under these Articles, entitled to receive such notices from the Company. For so long as the Shares are listed on the GTSM, save as otherwise provided by the Applicable Public Company Rules, at least thirty days' notice of an annual general meeting, and at least fifteen days' notice of an extraordinary general meeting shall

be given to each Member entitled to attend and vote thereat stating the date, place and time at which the meeting is to be held and the general nature of business to be conducted at the meeting.

49. The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any Member shall not invalidate the proceedings at that meeting.
50. For so long as the Shares are listed on the GTSM, the Board of Directors shall at least thirty days prior to an annual general meeting or fifteen days prior to an extraordinary general meeting, make a public announcement publishing the notice of the general meeting, the proxy instrument, agendas and materials relating to matters for approval, matters for discussion, and election or discharge of Directors to be discussed in the general meeting, via the Market Observation Post System. If the voting power of a Member at a general meeting shall be exercised by way of a written ballot, the Company shall also send the written document used for the exercise of voting power together with the above mentioned materials. The Board of Directors shall prepare a meeting handbook of the relevant general meeting and supplemental materials as the Board of Directors may think fit, which will be sent to or made available to all Members, save as otherwise provided by the Applicable Public Company Rules, twenty-one days prior to an annual general meeting and fifteen days prior to an extraordinary general meeting and shall be transmitted to the Market Observation Post System in accordance with the Applicable Public Company Rules. However, if the paid-up capital of the Company reaches NTD 10 billion or more at the end of the most recent fiscal year, or the total shareholding ratio of foreign capital and mainland China's capital recorded in the shareholders' register book reaches more than 30% at the general shareholders meeting in the most recent fiscal year, the above electronic documents submission shall be completed 30 days before the general shareholders meeting.
51. The following matters shall be stated in to 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:
 - (a) election or discharge of Directors;
 - (b) amendments to these Articles;
 - (c) reduction of share capital;
 - (d) sapplication for the approval of ceasing its public offering in the ROC;

- (e) dissolution, Merger, Share exchange or spin-off of the Company;
- (f) 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;
- (g) the transfer of the whole or any material part of its business or assets;
- (h) taking over another's whole business or assets, which will have a material effect on the business operation of the Company;
- (i) ratification of an action by 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;
- (j) effect any capitalization of distributable dividends and/or bonuses and/or any other amount prescribed under Article 124 hereof;
- (k) making distributions out of the statutory reserve, the premium received on the issuance of any Shares and income from endowments received by the Company to its Members in cash;
- (l) the Private Placement of any equity-type securities issued by the Company; and
- (m) the transfer of Treasury Shares to the employees under Article 32 hereof.

The aforementioned "Summary of the material content" in the preceding paragraph may be posted on the website designated by the competent securities authority in the ROC or the Company, and such website shall be indicated in the above notice of general meeting.

Quorum and Proceedings at General Meetings

- 52. 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. Save as otherwise provided by these Articles, the holders of shares being more than an aggregate of one-half of all shares in issue present in person or by proxy and entitled to vote shall constitute a quorum for any general meeting.
- 53. If and to the extent permitted under the Companies Act, 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, ROC, may be the court for adjudicating any disputes arising out of the foregoing.

54. Member(s) holding 1% or more of the total number of outstanding shares immediately prior to the relevant book close period, during which the Company closes its Register of Members, may propose to the Company in writing or by way of electronic transmission a proposal for discussion at an annual general meeting. Proposals shall not be included in the agenda of the annual general meeting where (a) the proposing Member(s) hold(s) less than 1% of the total number of outstanding shares, (b) where the matter of such proposal may not be resolved at an annual general meeting, (c) the proposal is submitted on any day beyond the deadline fixed and announced by the Company for accepting shareholders' proposals, or (d) the proposal contains more than 300 words or the proposing Member has proposed more than one proposal. If any of the proposals submitted by such Member(s) is to urge the Company to promote public interests or fulfill its social responsibilities, the Board may accept such proposal to be discussed at an annual meeting..
55. Unless otherwise expressly required by the Companies Act, the Memorandum of Association or these 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.
56. If a general meeting is called 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 leave of absence, or is unable to exercise his powers and authorities, the vice chairman of the Board of Directors shall act in lieu of the chairman. If there is no vice chairman of the Board of Directors, or if the vice chairman of the Board of Directors is also on leave of absence, or cannot 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 called by any person(s) other than the Board of Directors, the person(s) who has called the meeting shall preside as the chair of such general meeting; and if there is more than one person who has called a general meeting, such persons shall elect one from among themselves to act as the chair of such general meeting.

57. At any general meeting a resolution put to the vote of the meeting shall be decided on a poll. The number or proportion of the votes in favour of, or against, that resolution shall be recorded in the minutes of the meeting. Notwithstanding the above, the resolution shall be deemed to be passed with the same effect as the affirmative vote if the Members presenting at the meeting do not object to such resolution after inquired by the chairman of the meeting.
58. In the case of an equality of votes, the chairman of the meeting shall not be entitled to a casting vote.
59. The Company may by Ordinary Resolution adopt rules governing the proceedings and procedures of the general meetings which comply with the Memorandum of Association, the Articles and the Applicable Public Company Rules.

Votes of Members

60. Subject to any rights and restrictions for the time being attached to any shares, every Member who is present in person or by proxy shall have one vote for each share of which he/she/it is the holder. For so long as the Shares are listed on the GTSM, a Member who holds shares for benefit of others, need not use all his votes or cast all the votes he holds in the same way as he uses his votes in respect of shares he holds for himself; the qualifications, scope, methods of exercise, operating procedures and other matters for compliance with respect to exercising voting power separately shall comply with the Applicable Public Company Rules.
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.
62. The voting power of a Member at a general meeting may be exercised by way of a written ballot and by way of electronic transmission. The method for exercising such voting power shall be described in the general meeting notice to be given to the Members if the voting power may be exercised by way of a written ballot or by way of electronic transmission. Any Member who intends to exercise his voting power by way of a written ballot or by way of electronic transmission shall serve the Company with his/her/its voting decision by way of a declaration of intention at least two days prior to the date of such general meeting. If a Member serves the Company with more than one declaration of intention to exercise his/her/its voting power by way of a written ballot or electronic transmission, the first declaration shall prevail, unless an explicit written statement is made thereafter by such Member to revoke the previous declaration of intention in the same manner as previously used in exercising his/her/its voting power. A Member who exercises his/her/its voting power at a general meeting by

way of a written ballot or by electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to vote his shares at the general meeting only in the manner directed by his written instrument or electric document. The chairman of the general meeting as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electric document and/or any amendment to resolution(s) proposed 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 or amendment to the original agenda items to be resolved at the said general meeting. Should the chairman not observe the instructions of a Member in exercising such Member's voting right in respect of any resolution, the Shares held by such Member shall not be included in the calculation of votes in respect of such resolution but shall nevertheless be included in the calculation of quorum for the meeting.

63. In the event any Member who has served the Company with his/her/its declaration of intention to exercise his/her/its voting power by means of a written ballot or by means of electronic transmission pursuant to Article 62 hereof later intends to attend general meetings in person, he/she/it shall, at least two days prior to the date of the meeting, serve the Company with a separate declaration of intention to revoke his/her/its previous declaration of intention in the same manner previously used in exercising his/her/its 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.
- 63-1 If, subsequent to submitting a written ballot or electronic transmission pursuant to Article 62, a Member submits a proxy appointing a person of the general meeting as his proxy to attend the relevant general meeting on his behalf, then the subsequent appointment of that person as his proxy shall be deemed to be revocation of such Member's deemed appointment of the chairman of the general meeting as his proxy pursuant to Article 62.
64. Shares as set out below shall not be voted at any general meeting and shall not be counted in determining the total number of outstanding shares at any given time:
 - (a) Shares that are beneficially owned by the Company;
 - (b) Shares that are beneficially owned by any of the Company's Subsidiaries, more than one-half of whose total number of outstanding voting shares or paid-in capital are directly or indirectly owned by the Company; and

- (c) shares held by another company in which the Company, together with (i) the holding company of the Company and/or (ii) any Subsidiary of (x) the holding company of the Company or (y) the Company owns, legally or beneficially, directly or indirectly, more than 50% of its issued and voting share capital or equity capital.
- 64-1 For so long as the Shares are listed on the GTSM, if the number of Shares pledged by a Director at any time amounts to more than 50% of the total Shares held by such Director at the time of his latest appointment, such pledged Shares exceeding 50% of the total Shares held by such Director at the time of his latest appointment, shall not carry any voting rights and such above-threshold Shares shall not be counted in determining the number of votes of the Members present at a general meeting but shall be counted towards the quorum of the general meeting.
65. A Member who has a personal interest in any motion discussed at a general meeting, which interest may be in conflict with and impair those of the Company, shall abstain from voting such Member's shares in regard to such motion and such shares shall not be counted in determining the number of votes of the Members present at the said meeting. However, such shares may be counted in determining the number of shares of the Members present at such general meeting for the purposes of determining the quorum. The aforementioned Member shall also not vote on behalf of any other Member.
66. In the case of joint holders, the joint holders shall select among them a representative for the exercise of their shareholder's rights and the vote of their representative who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders.
67. 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 person may vote by proxy.

Special and Supermajority Resolutions of Members

68. Subject to the Companies Act, the Company may from time to time by Special Resolution:
- (a) change its name;
 - (b) alter or add to these Articles;
 - (c) alter or add to the Memorandum of Association 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 authorised by law.
69. Subject to the Companies Act, the Company may from time to time by Supermajority Resolution:
- (a) effect any capitalization of distributable dividends and/or bonuses and/or any other amount prescribed under Article 120 or Article 124 hereof;
 - (b) issue Restricted Shares in accordance with Article 10 hereof;
 - (c) discharge or remove any Director;
 - (d) 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;
 - (e) effect any Merger or spin-off of the Company, provided that any Merger which falls within the definition of "merger and/or consolidation" under the Companies Act shall require the approval of the Company by Special Resolution only;
 - (f) enter into, amend, or terminate any agreement for lease of the Company's whole business, or for entrusted business, or for frequent joint operation with others;
 - (g) transfer its business or assets, in whole or in any essential part; or
 - (h) acquire or assume the whole business or assets of another person, which has a material effect on the Company's operation.
 - (i) approve any Share exchange involving the exchange of some or all of the Shares of the company for some or all of the shares of another company.
70. Subject to the Companies Act, with regard to the dissolution procedure of the Company, the Company shall pass:
- (a) an Ordinary Resolution, in the event that the Company resolves that it be wound up voluntarily because the Company is unable to pay its debts as they fall due; or
 - (b) a Special Resolution, in the event that the Company resolves that it be wound up voluntarily for reasons other than set out in Article 70 (a) above.

Proxies

71. The instrument appointing a proxy shall be in writing, be executed either under seal or under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Member.
72. Subject to the Applicable Public Company Rules, except for the chairman being deemed appointed of a general meeting as proxy under Article 62 or trust enterprises organized under the laws of the ROC 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 closed period, during which the Company closes its Register of Members; any vote in respect of the portion in excess of such 3% threshold shall not be counted.
73. In the event that a Member exercises his/her/its 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. In the event that any Member who has authorised a proxy to attend a general meeting later intends to attend the general meeting in person or to exercise his voting power by way of a written ballot or electronic transmission, he shall, at least two days prior to such general meeting, serve the Company with a separate notice revoking his previous appointment of the proxy. Votes by way of proxy shall remain valid if the relevant Member fails to revoke his appointment of such proxy before the prescribed time.
74. The instrument of proxy shall be deposited at the office of the Company's Shareholders' Service Agent in the ROC or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company not less than five days before the time for holding the meeting or adjourned meeting at which 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.
75. 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 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.

76. For so long as the Shares are listed on the GTSM, 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".

Representation of Corporate Member

77. A corporation which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting of the Members and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.
78. Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he/she thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

Dissenting Member's Appraisal Right

79. 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 raised again his/her/its objection at the meeting, may request the Company to purchase all of his/her/its shares at the then prevailing fair price:
- (a) The Company enters into, amends, or terminates any agreement for lease of the Company's business in whole, or the delegation of management of the Company's business to other person 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.

80. In the event any part of the Company's business is spun off or involved in any Merger or Acquisition or Share exchange, the Member, who has expressed his dissent either in writing or verbally (with a record) before or during the general meeting and objected to such matters by vote or forfeited his/her/its right to vote on such matter during the general meeting may request the Company to purchase all of his/her/its shares at the then prevailing fair value.

80-1. A Member's request in Articles 79 and 80 shall be made in writing within 20 days from the date of the resolution of the meeting of Members, stating the purchase price. If an agreement is reached between the Member and the Company on the purchase price, the Company shall pay the price within ninety days from the date of the resolution of the meeting of Members. If the agreement is not reached, the Company shall pay the fair value as deemed by the Company within 90 days from the date of the resolution for that Member's share. If the Company fails to pay the fair value within the 90 day period referenced above, it would be deemed that the Company has agreed to the purchase price requested by said Members. Where a Member objects by voting or has forfeited his/her/its right to vote on such matter during the general meeting, such Member may request that the Company purchase all its Shares in accordance with the reasons set out in Article 80, and if the Member and the Company fail to reach an agreement on the purchase price within 60 days from the resolution of the general meeting, the Company shall file a motion to request the court determine the fair value of the Shares against all the Members who did not reach an agreement as the counterparty, the Taipei District Court of Taiwan shall make the fair value determination in the first instance.

The Share held by a Member who forfeited his/her/its right to vote in the preceding paragraph shall not be counted in determining the number of votes of the Members present at a general meeting.

Adjournment and Postponement of General Meeting

81. Unless clearly stated otherwise by this charter, the chairman must postpone the meeting if less than half of the shareholders (calculated based on issued shares, not individuals) are present when the shareholders meeting is due to begin. The meeting may be postponed for a maximum of two times, with the combined amount of extension time not exceeding one hour. If the shareholders meeting has been postponed twice and the shareholders present still do not represent over half of the issued shares, the chairman shall declare the shareholders meeting to be invalid. If

convening of the shareholders meeting is still required, it shall be reconvened according to the charter's regulations.

82. If the meeting has been postponed twice according to the aforementioned Article 81, and the number of shareholders presents does not constitute the quorum prescribed in the preceding article, but those present represent one-third or more of the total number of issued shares, a tentative resolution may be passed by a majority of those present according to regulations for public companies. If the number of shareholders present represent over half of issued shares prior to the end of the meeting, the chairman shall announce the official convening of the meeting. The passed tentative resolution shall be resubmitted for ratification at the shareholders meeting.
83. Apart from Article 82, the Board of Directors may postpone any general meeting called in accordance with the provisions of these Articles provided that notice of postponement is given to each Member before the time for such meeting. Fresh notice of the date, time and place for the postponed meeting shall be given to each Member in accordance with the provisions of these Articles.

DIRECTORS AND OFFICERS

Number and Term of Office of Directors

84. There shall be a Board of Directors consisting of no less than 5 and no more than 7 Directors, each of whom shall be appointed to a term of office of not exceeding three years provided that in the event the expiration of the term of office of such Directors would otherwise leave the Company with no Directors, the term of office of such Directors shall be extended automatically to the date of the general meeting next following the expiration of such term, at which new Directors will be elected to assume office. Directors may be eligible for re-election.
85. Unless otherwise approved by the GTSM, not more than half of the total number of Directors elected can have a spousal relationship or familial relationship within the second degree of kinship with any other Directors.
86. 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 85 hereof, the non-qualifying Director(s) who was elected with 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 85 hereof. Any person who has already served as a Director but is in violation of the aforementioned requirements shall vacate his/her/its position of Director automatically.

87. 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 one of the Independent Directors shall be domiciled in the ROC.
88. Independent Directors shall have professional knowledge and shall maintain independence within the scope of their directorial duties, and shall not have any direct or indirect interests in the Company. The professional qualifications, powers, 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

89. The Company may at a general meeting elect any person to be a Director, which vote shall be calculated in accordance with Article 90 below. If a Member is a legal entity, the authorised representative of such Member may be elected as Director. If such Member has more than one authorised representatives, each of them may be nominated for election at a general meeting.
90. Directors shall be elected pursuant to a cumulative voting mechanism, 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. The top candidates in the number equal to the number of the Directors to be elected, to whom the votes cast represent a prevailing number of votes relative to the other candidates, shall be deemed Directors elected. The Directors shall adopt a candidate nomination mechanism which is in compliance with Applicable Public Company Rules. The rules and procedures for such candidate nomination shall be in accordance with policies established by the Directors and approved by an Ordinary Resolution from time to time, which policies shall be in accordance with the Companies Act, the Memorandum of Association, these Articles and the Applicable Public Company Rules. For so long as the Shares are listed on the GTSM, subject to the requirement of the competent securities authority in the ROC, such candidate nomination mechanism in compliance with Applicable Public Company Rules shall also be used for an election of Independent Directors.

91. If the number of Independent Directors elected pursuant to Article 87 is less than three persons 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 are resigned or removed or vacated, the Board of Directors shall hold, within sixty days from the date of resignation or removal of last Independent Directors, an extraordinary general meeting to elect succeeding Independent Directors to fill the vacancies. If the Independent Directors domiciled in the ROC has resigned or has been removed or vacated which results in not at least one Independent Directors domiciled in the ROC, the Board of Directors shall hold, within sixty days from the date of resignation or removal of last retiring Independent Director domiciled in the ROC, an extraordinary general meeting to elect succeeding Independent Directors to fill the vacancies.
92. If the number of vacancies on the Board of Directors of the Company is less than 5 Directors elected due to any reason, the Company shall hold an election of Director(s) at the next following general meeting. When the number of vacancies on the Board of Directors of the Company equals to or is greater than 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.

Removal of Directors

93. The Company may from time to time by Supermajority Resolution remove any Director from office, whether or not appointing another in his stead. Where re-election of all Directors is adopted at a general meeting prior to the expiration of the term of office of existing Directors, the term of office of all current Directors is deemed to have expired on the date of the re-election or any other date as otherwise resolved by the Members at the general meeting if the Members do not resolve that all current Directors will only retire at the expiration of their present term of office. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to re-elect all Directors.
94. Where a Director has, in the course of performing his/her duties, committed any act resulting in material damages to the Company or in serious violation of applicable laws, regulations and/or these Articles, but not removed by a Supermajority Resolution of a general meeting, the Member(s) holding 3% or more of the total number of outstanding Shares may, within 30 days after that general meeting, institute a lawsuit in the

court for a judgment to remove such Director. The Taipei District Court, ROC, may be court for this matter.

- 94-1 To the extent permitted under the laws of the Cayman Islands, Members continuously holding 1% or more of the total number of outstanding Shares for half year or longer may file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors, Taipei District Court, ROC, may be court for this matter.

Directors' Remuneration and Indemnity

95. The remuneration of the Directors may only be paid in cash. The amount of such remuneration is authorized to be decided by the Board of Directors by reference to the extent and value of the services provided for the management of the Company, the performance of the Company and the standard generally adopted by other enterprises in the same industry within the ROC and overseas, and shall be paid regardless 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 from 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 Companies Act, the Applicable Public Company Rules, the service agreement or other similar contract that he/she has entered into with the Company.
96. The Company may procure and/or renew 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 the Company in respect of any loss caused by any negligence, default, breach of duty or breach of trust of the Director or Officer which would subject such Director or Officer to be held liable to the Company under applicable law.

Proxy of Director

97. 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. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

Powers and Duties of Directors

98. Subject to the provisions of the Companies Act, these Articles, Applicable Public Company Rules and any resolutions 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 setting up and registering the Company and may exercise all powers of the Company. All acts done by any meeting of the Board of 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.
99. Subject to Article 98 hereof, the Board of Directors may:
- (a) from time to time appoint any person, whether or not a Director to hold such office in the Company as the Board of Directors may think necessary for the administration of the Company, including but not limited to the office of president, one or more vice-presidents, treasurer, manager or controller, and for such term and at such remuneration (whether by way of salary or participation in profits or partly in one way and partly in another), 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 Board of Directors may also appoint one or more of their number to the office of managing director, upon like terms, but any such appointment shall ipso facto determine if any managing director ceases from any cause to be a Director, or if the Company by Special Resolution resolves that his tenure of office be terminated;
 - (b) appoint a Secretary (and if need be an assistant secretary or assistant secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant secretary so appointed by the Board of Directors may be removed by the Board of Directors; and
 - (c) delegate any of their powers to committees consisting of such member or members of their body and/or any other person as they think fit; any committee so formed shall in the exercise of the powers so delegated and throughout any proceedings thereof conform to any directions that may be imposed on it by the Board of Directors.

Borrowing Powers of Directors

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

Disqualification of Directors

101. The office of Director shall be vacated, if the Director:
- (a) becomes bankrupt, makes any arrangement or composition with his creditors, or is adjudicated insolvent or becomes the subject of insolvency proceedings commenced in any court of ROC, and having not been reinstated to his rights and privileges;
 - (b) is found to be or becomes of unsound mind;
 - (c) resigns his office by notice in writing to the Company;
 - (d) is removed from office by Supermajority Resolution;
 - (e) is the subject of an order made by any competent court or official on the grounds that he is or will be suffering from mental disorder or is otherwise incapable of managing his affairs, his/her legal capacity is restricted according to the applicable laws or is declared to be under assistance of assistantship by any court of ROC and such assistantship having not been revoked yet;
 - (f) having committed an offence as specified in the Organized Crime Prevention Act of ROC and subsequently adjudicated guilty by a final judgment, and has not started serving the sentence, has not completed serving the sentence, or five years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
 - (g) having committed an offence involving fraud, breach of trust or misappropriation and subsequently convicted with imprisonment for a term of more than one year, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
 - (h) having committed the offense forbidden in the Anti-corruption Act of ROC and subsequently convicted of a crime, and has not started

serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;

- (i) having been adjudicated guilty by a final judgment for misappropriating public funds during the time of his public service, and the time elapsed after he has served the full term of such sentence is less than two years; or
- (j) having been dishonored for use of credit instruments, and the term of such sanction has not expired yet.
- (k) in case a director of a company whose shares are issued to the public that has transferred, during the term of office as a director, more than one half of the company's shares being held by him/her at the time he/she is elected, he/she shall, ipso facto, be discharged from the office of director.

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

If any director of a company whose shares are issued to the public, 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 of the company 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 share transfer prohibition period fixed prior to the convention of a shareholders' meeting, then his/her election as a director shall become invalid.

Clause (k) of paragraph 1 of this Article and the preceding paragraph shall not apply to Independent Directors.

PROCEEDINGS OF DIRECTORS

MEETINGS OF THE BOARD OF DIRECTORS

102. The Board of Directors may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. A resolution put to the vote at a meeting of the Board of Directors shall be carried by the affirmative votes of a majority of the votes cast. Before the Shares are listed on the GTSM, at least five days' prior notice shall be given for any meeting of Board of Directors provided that in the case of urgent

circumstances, a meeting of the Board of Directors may be convened on short notice, or be held any time after notice has been given to every Director or be convened without prior notice if all Directors agree. For so long as the Shares are listed on the GTSM, at least seven days' prior notice shall be given for any meeting of the Board of Directors provided that in the case of urgent circumstances, a meeting of the Board of Directors may be convened on short notice, or be held any time after notice have been given to every Director or be convened without prior notice if all Directors agree.

103. The meeting of the Board of Directors shall be summoned by the chairman of the Board of Directors in accordance with Article 102. Notice of a meeting of the Board of Directors shall be deemed to be duly given to a Director if it is sent to such Director in writing, by post, cable, telex, telecopier, facsimile, electronic mail or other mode of representing words in a legible form at such Director's last known address or any other address given by such Director to the Company for this purpose.
104. Directors may participate in any meeting of the Board of Directors by video conference or other communication facilities by means of which all persons participating in the meeting can see and communicate with each other at the same time, and participation in such a meeting shall constitute presence in person at such meeting.

Quorum at Meetings of the Board of Directors

105. The quorum necessary for the transaction of the business of the Directors shall be more than one-half of the Board of Directors. 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.
106. 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 these Articles as the necessary quorum of Directors, the continuing Directors may act for summoning a general meeting of the Company, but for no other purpose.

Conflict of Interest

107. A Director who has a personal interest, whether directly or indirectly, in the matter under discussion at a meeting of the Board of the Directors shall declare the nature and the essential contents of his interest at the relevant meeting of the Directors. When the Company conducts a Merger, the Company's Directors with personal interests in the Merger (with directly or indirectly) should explain to the Board of Directors and the general meeting the important content of its interest in the Merger transaction itself

and the reasons he/she/it is voting for or against the resolution. The Company shall itemize the essential contents of a Director's personal interest and the cause of approval or dissent to the resolution with respect to the Merger in the notice to convene the general meeting; the essential contents may be posted on the website designated by the competent securities authority in the ROC or designated by 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 above, such director shall be deemed to have a personal interest in the matter. A Director who has a personal interest in the matter under discussion at a meeting of the Directors, which may conflict with and impair the interest of the Company, shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting.

108. A Director who does anything for himself or on behalf of another person that is within the scope of the Company's business shall declare the essential contents of such behaviour to the general meeting and be approved by Supermajority Resolution. Failure in obtaining such approval shall cause the Director being so interested be liable to account to the Company for any profit realised by any such behaviour if the general meeting so resolves by an Ordinary Resolution within one year from such behaviour.
109. Notwithstanding the preceding Articles, a Director may hold any other office or place of 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 and no Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting of the Directors whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement.
110. Subject to these Articles, any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

110-1 Without prejudice and subject to the general directors' duties that a Director owe to the Company and its shareholders under common law principals and the laws of the Cayman Islands, a Director shall perform his fiduciary duties of loyalty and due care of a good administrator in the course of conducting the Company's business, and shall indemnify the Company, to the maximum extent legally permissible, from any loss incurred or suffered by the Company arising from breach of his fiduciary duties. If a Director has made any profit for the benefit of himself or any third party as a result of any breach of his fiduciary duties, the Company shall, if so resolved by the Members by way of an Ordinary Resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover such profit from such relevant Director. If a Director has, in the course of conducting the Company's business, violated any laws or regulations that causes the Company to become liable for any compensation or damages to any person, such Director shall become jointly and severally liable for such compensation or damages with the Company and if any reason such Director is not made jointly and severally liable with the Company, such Director shall indemnify the Company for any loss incurred or suffered by the Company caused by a breach of duties by such Director. The Officers, in the course of performing their duties to the Company, shall assume such duties and obligations to indemnify the Company in the same manner as if they are Directors.

Chairman to Preside

111. The Directors shall, by a resolution, establish rules governing the procedure of meeting(s) of the Directors and report such rules to a general meeting, and such rules shall be in accordance with these Articles and the Applicable Public Company Rules.
112. A committee appointed by the Board of Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their number to be chairman of the meeting.
113. A committee appointed by the Board of Directors may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority vote provided that a quorum of a majority of such members is present and in case of equal votes, the chairman of the meeting shall have no casting vote.

CORPORATE RECORD

Minutes

114. The Directors shall cause minutes to be made in books or loose-leaf folders provided for the purpose of recording:

- (a) all appointments of officers made by the Board of Directors;
- (b) the names of the Directors present at each meeting of the Board of Directors; and
- (c) all resolutions and proceedings at all general meetings, meetings of the Board of Directors, and meetings of committees formed under Article 99 hereof.

DIVIDENDS, BONUS AND RESERVE

115. If the company shows a profit for a given year, one to 10 percent of the profit shall be appropriated as employee remuneration. No more than one percent of the profit shall be appropriated as directors' remuneration. However, if the company has accumulated losses, profits shall not be appropriated until the loss has been made up. Employee remuneration shall be in the form of stock or cash. The subject for receiving the remuneration is set out by the Board of Directors or its authorized person(s). The allocation of employee and director remuneration shall be determined by a Board of Director resolution, where two-thirds or more of the directors are present, and at least half of those present agree to the resolution. Such Board resolution shall be reported at the shareholders meeting.

Unless the resolution needs to be ratified again at the shareholders meeting according to Article 69 (a), the company can adjust the distribution according to the distribution ratio detailed below. The proposal for the ratio shall be drafted by the Board of Directors and proposed at the shareholders meeting. The proposal must be approved via general resolution to be valid:

- (1). Tax payments;
- (2). Making up for previous losses;
- (3). Deposit 10% as a legal serve (however, this does not apply if the accumulated legal reserve has reached the company's total capital); and
- (4). Where necessary, setting aside or reversing special reserve.

The Board of Directors shall make proposals for the allocation of the remaining profit (based on the amount after items one to four above have been deducted, and with the initial non-allocated profit added) and distribute the profit based on a shareholders meeting resolution.

Any remaining profit can be allocated as a dividend. The company is in the initial stages of industry development, and the corporate life cycle is in a positive growth stage. To respond to future operational expansion plans, and taking into account the dividend balance and shareholders' rights, the dividend shall be allocated to shareholders in the form of cash or newly issued stocks. This reflects shareholders apply such sum on their behalf in paying up in full unissued shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid, in a combination of both cash and stock, or in the form of a bonus. The actual issuance ratio authorized by the Board of Directors is in accordance with the Company Act and other public company regulations. Finance, business, and management factors are considered before making the allocation. However, a dividend allocation shall not be less than 10% of the remaining profit, and the cash dividend shall not be less than 10% of the total available dividend amount.

116. The Directors may, before recommending distribution of any dividend or bonus, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the absolute discretion of the Directors be applicable for meeting contingencies, or for meeting the deficiencies for implementing dividend distribution plans or for any other purpose to which those funds may be properly applied and pending such application may in the absolute discretion of the Directors, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit. The Directors may also, without placing the same to reserve, carry forward any profit which they decide not to distribute.
117. Any dividend, interest or other monies payable in cash in respect of the shares may be paid by wire transfer to the Members or by cheque sent through the post to the registered address of the Member in the Register of Members.
118. In the case of joint holders of shares, any dividend, interest or other monies payable in cash in respect of the shares may be paid to the holder first named in the Register of Members, or to such person and to such address as the joint holders may in writing direct. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend paid in respect of such shares.

119. Subject to any rights and restrictions for the time being attached to any class or classes of shares, all dividends shall be declared and paid according to the amounts paid on the shares.
120. The Board may, subject to approval by the Members by way of Ordinary Resolution or, in the case of Article 69 (a), Supermajority Resolution and subject to these Articles and any direction of the Company in general meeting, declare a dividend to be paid to the Members in proportion to the number of shares held by them, and such dividend may be paid in cash, shares or, subject to Article 120-1, wholly or partly in specie. No unpaid distribution shall bear interest as against the Company.
- 120-1 Subject to the provisions of Article 120, the Directors may determine that a dividend shall be paid wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution, subject, however to obtaining the prior consent of any Member to whom it is proposed to make a distribution in specie and a valuation of the assets for distribution from the an ROC certified public accountant, prior to the Directors fixing the value of the assets for distribution. The Directors may make cash payments to some Members on the footing of the value so fixed in order to adjust the rights of Members. Without limiting the foregoing generality, the Directors may vest any such specific assets in trustees on such terms as the Directors think fit and may issue fractional shares.

ACCOUNTS AND AUDIT

121. The Board of Directors shall cause proper books of account (including, business reports, financial statements and proposals for distribution of profits or losses) to be kept with respect to all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place, all sales and purchases of goods by the Company and the assets and liabilities of the Company. Proper books of account shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions. Such books of account shall be kept for at least five years from the date they are prepared.
122. The Board of Directors shall submit business reports, financial statements and proposals for distribution of profits or losses prepare by it for the purpose of annual general meeting of the Company for ratification by the Member as required by the Applicable Public Company Rules. After ratification by the annual general meeting, the Board of Directors shall distribute copies or make a public announcement of the ratified financial

statements and the Company's resolutions on the allocation and distribution of profits or loss, to each Member.

123. For so long as the Shares are listed on the GTSM, the Board of Directors shall keep copies of the yearly business report and financial statements 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.

CAPITALISATION

124. Subject to Article 69 (a), the Board of Directors may capitalize any sum outstanding to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to Members in proportion to their shareholding by way of dividend in the form of new shares and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid. In such event, the Board of Directors shall do all acts and matters required to give effect to such capitalisation, with full power to the Directors to make such provisions as they think fit such that Shares shall not become distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all of the interested Members into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

SHARE PREMIUM ACCOUNT

125. The Board of Directors shall in accordance with Section 34 of the Companies Act 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.
126. There shall be debited to any share premium account on the redemption or purchase of a share the difference between the nominal value of such share and the redemption or purchase price provided always that at the discretion of the Board of Directors such sum may be paid out of the profits of the Company or, if permitted by Section 37 of the Companies Act, out of capital.

AUDIT COMMITTEE

127. The Company shall establish an Audit Committee. The Audit Committee shall comprise solely of Independent Directors and the number of committee members shall not be less than three. One of the Audit Committee members shall be appointed as the convener to convene meetings of the Audit Committee from time to time and at least one of the Audit Committee members shall have accounting or financial expertise. A valid resolution of the Audit Committee requires approval of one-half or more of all its members.
128. 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 of or amendment to an internal control system;
 - (b) assessment of the effectiveness of the internal control system;
 - (c) adoption of or amendment to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others;
 - (d) any matter relating to the personal interest of the Directors;
 - (e) a material asset or derivatives transaction;
 - (f) a material monetary loan, endorsement, or provision of guarantee;
 - (g) the offering, issuance, or Private Placement of any equity-type securities;

- (h) the hiring or dismissal of an attesting certified public accountant, or the compensation given thereto;
- (i) the appointment or discharge of a financial, accounting, or internal auditing officer;
- (j) approval of annual and semi-annual financial reports; and
- (k) any other matter so determined by the Company from time to time or required by any competent authority overseeing the Company.

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

128-1. Deleted.

128-2 Before the Company convenes a board of directors to decide on a Merger or Acquisition, the audit committee shall review the fairness and reasonableness of the merger and acquisition plan and transaction, and report the results of the review to the board of directors and meeting of Members. During the deliberations of the audit committee, the independent expert shall be invited to provide opinions on the reasonableness of the share conversion ratio or the allotment of Members' cash or other property. The audit committee's deliberations and independent expert opinions shall be provided to Members at the same time as the notice of the meeting of Members is sent. The documents referred to in the preceding paragraph may be placed on the website designated by the securities authority or company, and may be made available to Members at the meeting of Members.

COMPENSATION COMMITTEE

129. The Board of Directors shall, in accordance with the Applicable Public Company Rules, establish a Compensation Committee comprised of at least three members, one of which shall be the Independent Director. The professional qualifications of the members of the Compensation Committee, the responsibilities, powers and other related matters of the Compensation Committee shall comply with the Applicable Public Company Rules. Upon the establishment of the Compensation Committee, the Board of Directors shall, by a resolution, adopt a charter for the Compensation Committee in accordance with these Articles and the Applicable Public Company Rules.

- 129-1 The compensation to be proposed by the Compensation Committee referred in the preceding Article shall include the compensation, stock options and other incentive payments payable to Directors and Officers of the Company.

TENDER OFFER

130. Within seven days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its litigation or non-litigation agent appointed pursuant to the Applicable 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 number of the shares held by the Directors and the Members holding more than 10% of the outstanding shares in their own names or in the names of other persons;
 - (b) Recommendations to the Members on the tender offer, which shall set forth the names of the Directors who abstain or object to the tender offer and the reason(s) therefor;
 - (c) Whether there is any material change in the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any; and
 - (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 their own names or in the name of other persons.

NOTICES

131. Except as otherwise provided in these Articles, any notice or document may be served by the Company or by the person entitled to give notice to any Member either personally, by facsimile or by sending it through the post in a prepaid letter or via a recognised 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.

132. 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, or, (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.

INFORMATION

133. The Board of Directors shall keep at the office of its Shareholders' Service Agent in the ROC copies of the Memorandum of Association, the Articles, the minutes of every meeting of the Members, the financial statements, the Register of Members and the counterfoil of corporate bonds issued by the Company. Any Shareholder of the Company may request at any time, by submitting evidentiary document(s) to show his/her interests involved and indicating the scope of interested matters, an access to inspect, transcribe and to make copies of the Memorandum of Association, the Articles and accounting books and records. The Company shall procure that the Shareholders' Service Agent in the ROC provides such Shareholder with the requested access.
- 133-1 The Board of Directors or other authorized conveners of general meetings may require the Company or its Shareholders' Service Agent in the ROC to provide it or them with a copy of the Register of Members.

FINANCIAL YEAR

134. The financial year end of the Company shall be 31st December in each year but, subject to any direction of the Company in general meeting, the Board of Directors may from time to time prescribe some other period to be the financial year, provided that the Board of Directors may not without the sanction of an Ordinary Resolution prescribe or allow any financial year longer than twelve months.

WINDING UP

135. If the Company shall be wound up, and the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Member in proportion to the number of the

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

136. If the Company shall be wound up the liquidator may, subject to Article 70, divide amongst the Members in specie or in 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 it 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, subject to Article 70, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the contributories as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

AMENDMENT OF ARTICLES OF ASSOCIATION

137. Subject to the Companies Act and these Articles, the Company may at any time and from time to time by Special Resolution alter or amend these Articles and/or Memorandum of Association with respect to any objects, powers or other matters contained therein, in whole or in part.

REGISTRATION BY WAY OF CONTINUATION

138. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.
139. So long as the Shares are listed on the GTSM, the Company shall appoint a litigious and non-litigious agent pursuant to the Applicable Public Company Rules to act as the Company's responsible person in the ROC under the Securities and Exchange Law of the ROC. The Company's litigious and non-litigious agent shall be a natural person and have a residence or domicile in the ROC.



Regulations of Acquisition or Disposal of Assets



Revise History				
Version	Owner	Review	Release Date	Release Explain
A	Tsai Shing-Fang	Chang Sheng-Shih	110627	First Release
B	Tsai Shing-Fang	Chang Sheng-Shih	120619	Cooperated with the competent authority to issue an amendment on February 13, 2012, "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"
C	Chen Yu-Wen	Tsai Shing-Fang	140623	1. In accordance with the revised text of Securities and Futures Trading Center of the Republic of China, July 17th, 2013 Securities and Futures No. 1020100911. 2. Revised in accordance with the Financial Management Association, December 30th, 2013 Financial Management Order No. 1020053073.
D	Wu Kun-Jung	Huang An-Bang	170324	Revised in accordance with the competent authority "Securities and Futures Bureau, Financial Supervisory Commission" February 9th, 2017 Financial Management Order No. 1060001296.
E	Wu Kun-JungWu	Huang An-Bang	180615	Meet practical needs
F	Tseng Hsiang-Chuan	Huang Mei-Fang	180928	Meet practical needs
G	Tseng Hsiang-Chuan	Huang Mei-Fang	190412	Revised in accordance with the competent authority "Securities and Futures Bureau, Financial Supervisory Commission" November 26th, 2018 Financial Management Order No. 1070341072.
H	Lee Yi-Ching	Huang Mei-Fang	210415	The amendment is in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" is release by the Financial Supervisory Commission.
I	Lee Yi-Ching	Huang Mei-Fang	220630	Revised in accordance with the competent authority "Securities and Futures Bureau, Financial Supervisory Commission" Jaunary 228th, 2022 Financial Management Order No. 1110380465.

1. Purpose:

In order to strengthen asset management, safeguard investment and implement information disclosure, this method has been formulated.

2. Scope:

The acquisition or disposal of the company's assets listed in 4.1 as below, unless otherwise provided by relevant financial laws and regulations, shall be handled according to the provisions.

3. Authorities and responsibilities:

The regulations are formulated and revised by the accounting unit in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".

4. Definition:

4.1 The applicable scope of the "assets" in the regulations is as follows:

1. Investments in stocks, public bonds, corporate bonds, financial bonds, commending fund securities, depositary receipts, subscription (sale) warrants, beneficiary securities, asset-based securities, etc.
2. Real property (including land, houses and buildings, investment property, rights to use land, and construction enterprise inventory) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

4.2 "Derivatives" as used in the regulations refers to forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives.

The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

4.3 The term "assets acquired or disposed of according to legal mergers, divisions, acquisitions, or share transfers" referred to in these measures refers to assets acquired or disposed of in accordance with relevant laws and regulations for mergers, divisions, or acquisitions, or the other companies' new shares

traded with the new shares of the company in accordance with the Article 156 paragraph 3 of Company Law (hereinafter referred to as share transfers)

- 4.4 The term “related party” as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- 4.5 The term “subsidiary” as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- 4.6 The term “Professional appraisers” as used in the regulations Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
- 4.7 The term “Date of occurrence” as used in the regulations refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, earlier than the above date or the date of receipt of approval by the competent authority shall be applied.
- 4.8 The term "investment in mainland China" as mentioned in this handbook refers to investment in technology cooperation licensing conducted in mainland China according to the provisions of the Investment Review Committee of the Ministry of Economic Affairs.
- 4.9 “Investment professional” as used in the regulations refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
- 4.10 “Securities exchange” as used in the regulations or “Domestic securities exchange” refers to the Taiwan Stock Exchange Corporation; “foreign securities exchange” refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
- 4.11 Over-the-counter venue as used in the regulations or "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

5. Operating procedures:

5.1 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

- (1) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
- (2) May not be a related party or de facto related party of any party to the transaction.
- (3) If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:

- (1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- (2) When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
- (3) They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
- (4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.

5.2 Note:

- (1) Acquisition or disposal of assets is subject to the approval of the board of directors in accordance with the regulations or other relevant laws, if any director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.
- (2) Where the position of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.
- (3) The company has set up an audit committee in accordance with the provisions. Transactions of major asset or derivative commodity should be approved by more than half of the members of the audit committee

and resolved by the board of directors. In the case that no more than half of the members of the audit committee have agreed this is the case, the transaction should be agreed by more than two-thirds of all directors, and the resolution of the audit committee shall be reiterated in the minutes of the board of directors. All the incumbent members of the audit committee and all the directors shall be calculated.

5.3 Limit amounts of real property and right-of-use assets thereof or securities that the company purchases for non-business use:

- (1) The total amount of real property and right-of-use assets thereof that the company purchases for non-business use shall not exceed 50% of the net value; the total amount of real property and right-of-use assets thereof purchased by the subsidiaries of the company for non-business use shall not be higher than 50% net value of the company or its subsidiaries.
- (2) Except with the consent of the shareholders' meeting, the total investment of securities of the company shall not exceed 100% assetse, except that the invested company is a subsidiary of the company; the total investment in securities of each subsidiary of the company shall not exceed 100% assetse of the company, except that the invested company is a subsidiary of each subsidiary.
- (3) Except with the consent of the shareholders' meeting, the amount of investment in individual securities of the company shall not exceed 100% assetse, except that the invested company is a subsidiary of the company; the amount of investment by the subsidiaries of the company in individual securities shall not exceed 100% assetse of the company, except that the invested company is a subsidiary of each subsidiary.

5.4 The evaluation and operating procedures for the acquisition or disposal of securities:

5.4.1 (1) Price determination and supporting reference materials:

Acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and determine the transaction price in the following manner:

- (1.1) Acquiring or disposing of securities that have been traded in the securities exchange market or over-the-counter markets, transaction price is based on the market price.
- (1.2) Acquiring or disposing of securities that are not traded in the securities exchange market or the over-the-counter markets, should consider its net worth per share, profitability, future development potential, market interest rate, bond coupon rate, debtor's debt and the price is negotiated in reference to the transaction price at the time.
- (2) Opinions from experts upon request: If the dollar amount of acquiring or disposing of securities is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price.

This requirement does not apply, however, to publicly quoted prices of securities that have an

active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC); assets are acquired or disposed of through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

The calculation of the transaction amount of the preceding paragraph shall be handled in accordance with the second paragraph of 5.11.1.

5.4.2 Degree of authority delegated, and the levels to which authority is delegated:

Levels to which authority is delegated	Degree of authority delegated
The board chairman	Below (including) NT\$60million
The board of directors	Over NT\$60million

5.4.3 Units responsible for implementation: The units responsible for the acquisition and disposal of securities investment of the company is the financial department or related authorities.

5.4.4 Transaction Process: The transaction process for company acquisition and disposal of securities is handled in accordance with relevant operations of the “Investment Management Standards” of the company's internal control system.

5.5 The evaluation and operation procedures of the acquisition and disposal of real estate, right-of-use assets and equipment:

5.5.1 Price determination and supporting reference materials:

- (1) The acquisition or disposition of immovable property shall be signed by the original user or the relevant authority and responsible unit, and the asset management unit shall refer to the present value of the announcement, the assessed value, the actual transaction price of the adjacent real estate, the recent transaction price of similar assets, etc. The bargaining or bidding method is one.
- (2) Opinions from experts upon request: In acquiring or disposing of real property, equipment or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:
 - (2.1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for

approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.

(2.2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.

(2.3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

(2.3.1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.

(2.3.2). The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

(2.4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser. Where the company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with the second paragraph of 5.11.1.

5.5.2 Degree of authority delegated, and the levels to which authority is delegated:

Levels to which authority is delegated	Degree of authority delegated
The board chairman	Below (including) NT\$60million
The board of directors	Over NT\$60million

5.5.3 Units responsible for implementation: The units responsible for the acquisition and disposal of the company's real estate, equipment or right-of-use assets thereof are the finance department or related authorities.

5.6 The evaluation and operating procedures for the acquisition or disposal of assets from related parties:

5.6.1 When the company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised in accordance with 5.4.1(2), 5.5.1(2) and 5.7.2 of the regulations, if the transaction

amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with the second paragraph of 5.11.1.

5.6.2 When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

5.6.3 Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors.

- (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of real property or right-of-use assets thereof.
- (2) The reason for choosing the related party as a trading counterparty.
- (3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms.
- (4) The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.
- (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with article 5.6.1, or an accountant's opinion. If the valuation result differs from the transaction amount by more than 20% of the transaction amount, the accountant should be consulted to express specific opinions on the reason for the difference and the transaction price, and more than two-thirds of the directors of the board of directors should attend to the board. The valuation result has to be agreed by over 50% of the directors who attended the agreement.
- (7) Restrictive covenants and other important stipulations associated with the transaction.

If a public company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company's total assets, the public company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders' meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the public company and its parent company or subsidiaries or between its subsidiaries.

The calculation of the transaction amounts referred to in the first two shall be made in accordance with Article 5.11.1, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and meetings of members need not be counted toward the transaction amount.

5.6.4 Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to article 5.6.3, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. Where an audit committee has been established shall first be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution. If approval of more than half of all audit committee members is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all audit committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.

5.6.5 Acquisition of real property or right-of-use assets from a related party shall evaluate the reasonableness of the transaction costs by the following means:

- (1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
- (2) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.
- (3) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding 2 paragraphs.
- (4) Acquisition of real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with provisions of preceding paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.
- (5) Acquisition of real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the provisions of 5.6.3 and 5.6.4 and the provisions of 5.6.5(1)~(4) do not apply:
 - (5.1) The related party acquired the real property or right-of-use assets through inheritance or as a gift.

- (5.2) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets to the signing date for the current transaction.
- (5.3) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
- (5.4) The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

5.6.6 When the results of the company's appraisal conducted in accordance with 5.6.5(1)~(3) are uniformly lower than the transaction price, the matter shall be handled in compliance with 5.6.7. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

- (1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (1.1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (1.2) Transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard real property or leasing market practices.
- (2) Acquisition of real property or lease to obtain real property right-of-use assets from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.
- (3) Transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or right-of-use assets thereof.

5.6.7 Acquisition of real property from a related party and the results of appraisals conducted in accordance with the provisions of 5.6.5 and 5.6.6 are uniformly lower than the transaction price, the following steps shall be taken:

- (1) A special reserve shall be set aside in accordance with relative regulations against the difference between the transaction price of real property or right-of-use assets thereof and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the company uses the equity method to account for its investment in another company, then the special reserve shall be set aside in a proportion consistent with the share of the company's equity stake in the other company.
- (2) Actions taken pursuant to the preceding paragraph shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

5.6.8 If the company has set aside a special reserve under the provisions of 5.6.7 may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the relevant competent authority has given its consent.

5.6.9 When the company obtains real property or right-of-use assets thereof from a related party, it shall also comply with 5.6.7 and 5.6.8 if there is other evidence indicating that the acquisition was not an arms length transaction.

5.6.10 With respect to the types of transactions listed below, when to be conducted between the company, its subsidiary, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to 5.5.2 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.

- (1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
- (2) Acquisition or disposal of real property right-of-use assets held for business use.

5.7 The evaluation and operating procedures for the acquisition or disposal of memberships, intangible assets or right-of-use assets thereof and other important assets:

5.7.1 Price Determination Method and Reference Basis: To obtain or dispose of the membership card, the relevant price information should be collected in advance and selected by price or bargaining method; if the intangible assets or right-of-use assets thereof and other important assets are obtained or disposed of, the relevant price should also be collected in advance. Information is collected, then careful assessment of relevant laws and contractual content is done to determine the transaction price.

5.7.2 Opinions from experts upon request: Where a public company acquires or disposes of memberships or intangible assets or right-of-use assets thereof and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.

The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 5.11.1, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

5.7.3 Degree of authority delegated, and the levels to which authority is delegated:

Levels to which authority is delegated	Degree of authority delegated
The board chairman	Below (including) NT\$60million
The board of directors	Over NT\$60million

5.7.4 Units responsible for implementation: The units responsible for the acquisition and disposal of the company's relevant memberships and intangible assets or right-of-use assets thereof are the finance department or related authorities.

5.7.5 Transaction Process: The transaction process for company acquisition and disposal of memberships and intangible assets or right-of-use assets is handled in accordance with relevant operations of the "Purchase and payment Standards" of the company's internal control system..

5.8 The evaluation and operating procedures for the acquisition or disposal of creditor's rights of the financial institution: the company does not engage in the acquisition or disposal of the claims of financial institutions. If it wants to engage in the acquisition or disposal of the claims of financial institutions, it will be submitted to the board of directors for approval to establish its assessments and operating procedures.

5.9 The evaluation and operating procedures for the engagement in Derivatives Trading:

5.9.1 Trading principles and strategies:

- (1) Types of derivatives that may be traded: If the company is mainly engaged in the exchange of forward foreign exchange, option, interest rate or exchange rate (SWAP), the outright purchases/sells of bonds and the selling of Repurchase agreements. Other commodities should be agreed by more than one-half of all members of the Audit Committee and approved by the Board of Directors.

(2) Operation or hedging strategy: When the Company engages in transaction of derivatives, it should aim at avoiding risks. The Company should choose trading commodities that would hedge the risks arising from the business operations of the company.

(3) Transaction limits and segregation of duties:

(3.1) Transaction limits:

(3.1.1) For the purpose of hedge: Degree of authority delegated, and the levels to which authority is delegated for hedge performances:

Levels to which authority is delegated	Daily transaction limits	Accumulated net transaction limits
The board chairman	Below (including) NT\$2million	Below (including) NT\$2million
The board of directors	Over NT\$2million	Over NT\$2million

(3.1.2) Transactions not for the purpose of hedging shall be submitted to the board of directors for approval.

(3.2) Financial unit: responsible for the operation strategy of the derivative goods, and conducts various transactions according to the authorized authority.

(3.3) Accounting unit: responsible for the accounting of the transactions of derivatives, the production of accounting statements, and the summary of periodic information.

(3.4) Auditing unit: Understand the appropriateness of internal control such as division of duties and operational procedures, and check the compliance of the trading unit with the processing procedure.

(4) Performance evaluation: In order to fully grasp and express the evaluation risk of the transaction, the company evaluates the profit and loss by means of the monthly evaluation method.

(5) Total contract amount: Total amount of derivatives contracts that the company engages in for the purpose of hedging shall not exceed the actual business demand. Total amount of derivatives contracts not for the purpose of hedging is limited to 10% of the company's net value.

(6) Maximum loss limit: After the trading position is established, stop loss points should be set to prevent excess losses. The establishment of a stop loss point is limited to no more than 10% of the total or individual transaction contract. If the loss exceeds the upper limit, it must be reported to the chairman immediately and reported to the board of directors to discuss the necessary countermeasures.

5.9.2 Risk management measures:

(1) The scope of Risk management:

(1.1) Credit risk management – Principally, the transaction object should be a domestic and foreign financial institution with good credit, and can provide professional information. The financial supervisor shall be responsible for controlling the transaction amount of the financial institutions, and shall not be

over-concentrated, and adjust the transaction amount of the financial institutions at any time according to changes in market conditions.

(1.2) Market risk management - Select a market in which the quote information is fully disclosed.

(1.3) Liquidity risk management - To ensure liquidity, trading financial institutions must have sufficient equipment, information and trading capabilities and be able to trade in any market.

(1.4) Cash flow risk management - In order to ensure the stability of the company's working capital turnover, the company's source of funds for derivative commodity transactions is limited to its own funds.

(1.5) Operational risk management - Must strictly comply with the authorization quota, operating procedures and other regulations set by the company to avoid operational risks.

(1.6) Legal Risk Management - Any document signed with a financial institution must be legally reviewed before it can be formally signed to avoid legal risks.

(2) Traders engaged in derivative commodities and operators such as confirmation and delivery shall not concurrently serve each other.

(3) The risk measurement, supervision and control personnel shall be in different departments from the former personnel, and shall report to the board of directors or high-level supervisors who are not responsible for the decision-making of the transaction or part.

(4) The parts held by the derivative commodity exchanges shall be assessed periodically, in accordance with the provisions of 5.9.6.

5.9.3 Internal auditing system: The internal auditing personnel of the Company shall regularly understand the admissibility of the internal control of derivative commodity transactions, and shall make an audit report on the compliance of the monthly auditing trading department with the procedures for dealing with derivative commodity transactions. In case of violations, the Audit Committee shall be notified in writing:

5.9.4 Supervision and management of the board of directors:

(1) When the company engages in derivatives trading, its board of directors shall faithfully supervise and manage such trading in accordance with the following principles:

(1.1) Designate senior management personnel and pay continuous attention on monitoring and controlling derivatives trading risk.

(1.2) Evaluate periodically whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.

(2) Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:

(2.1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the company.

(2.2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion.

(3) The company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for Engaging in Derivatives Trading.

5.9.5 A public company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under 5.9.6(1), 5.9.4(1)(1.2) And 5.9.4(2)(2.1) shall be recorded in detail in the log book.

5.9.6 Regular evaluation methods and the handling of irregular circumstances

(1) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.

(2) Senior management personnel authorized by the board of directors shall periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the company, and periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors.

5.10 Assessment and operating procedures for mergers, splits, acquisitions, and assignment of shares:

5.10.1 When the company conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, it shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

5.10.2 When the company becomes a public company, it shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition

prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 of the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. If the company fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, it shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

5.10.3 Unless otherwise stipulated by other laws or with special factors, the company shall convene the board of directors and the shareholders' meeting on the same day as the company participating in the merger, division or acquisition, in addition to the prior approval of the Financial Supervision and Administration Commission (hereinafter referred to as the Financial Management Association) for resolutions on mergers, splits or acquisitions. The company that participates in the transfer of shares shall convene the board of directors on the same day, unless otherwise stipulated by other laws or with special factors in advance to the consent of the FSC.

5.10.4 The Company shall prepare a full written record of the following information and retain it for 5 years for reference.

- (1) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
- (2) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
- (3) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

5.10.5 In accordance with relative regulations, the company shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in 5.10.4(1)~(2) to the the relevant competent authority for recordation.

5.10.6 Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

- 5.10.7 The company may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:
- (1) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
 - (2) An action, such as a disposal of major assets, which affects the company's financial operations.
 - (3) An event, such as a major disaster or major change in technology, which affects shareholder equity or share price.
 - (4) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
 - (5) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
 - (6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
- 5.10.8 The contract for participation by the company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:
- (1) Handling the breach of contract.
 - (2) Principles for handling equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 - (3) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, under the principles for handling thereof.
 - (4) The method of handling changes in the number of participating entities or companies.
 - (5) Preliminary progress schedule for plan execution, and anticipated completion date.
 - (6) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
- 5.10.9 After public disclosure of the information, if the company participates in the merger, demerger, acquisition, or share transfer and intends further to carry out a merger, demerger, acquisition, or share transfer with another company, it shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

5.10.10 If any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of articles 5.10.3~5.10.6 and 5.10.9.

5.11 Public Disclosure of Information:

5.11.1 If the following conditions occur when the company acquires or disposes of assets, it shall adopt the prescribed format according to the nature of the case, and report relevant information on the website designated by the competent authority within two days from the day when the fact occurs:

- (1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- (2) Merger, demerger, acquisition, or transfer of shares.
- (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
- (4) Where the type of asset acquired or disposed is equipment or right-of-use assets thereof for business use, the trading counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - (4.1) When the company's paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - (4.2) When the company's paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
- (5) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, the amount the company expects to invest in the transaction reaches NT\$500 million.
- (6) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. This shall not apply to the following circumstances:
 - (6.1) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.
 - (6.2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and

issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.

(6.3) The trading of bonds under repurchase/resale agreements, or the subscription or redemption of money market funds issued by the domestic securities investment trust enterprises.

The aforesaid transaction amount is calculated in the following way. The one-year period mentioned above means the period calculated retrospectively starting from the date when the transaction happens. The period after announcement is exempted according to the regulations of this operation shall not be calculated:

(1) The amount of any individual transaction.

(2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.

(3) The cumulative transaction amount of real property or right-of-use assets acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.

(4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

5.11.2 The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by companies and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

5.11.3 If the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of notification.

5.11.4 If the company acquire or dispose of assets, it shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at companies, where they shall be retained for 5 years except where another act provides otherwise.

5.11.5 Where any of the following circumstances occurs with respect to a transaction that the company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:

(1) Change, termination, or rescission of a contract signed in regard to the original transaction.

(2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.

(3) Change to the originally publicly announced and reported information.

5.11.6 Information is required to be publicly announced and reported in accordance with the provisions on acquisitions and disposals of assets by a subsidiary of the company that is not itself a public company in Taiwan shall be reported by the company. The paid-in capital or total assets of the company shall be the standard for determining whether or not a subsidiary referred to in the preceding paragraph is subject to the standards of requiring a public announcement and regulatory filing in the event the type of transaction specified therein reaches a threshold of the paid-in capital or total assets.

5.11.7 A subsidiary of the company is not a publicly-issued company. It obtains or disposes of real property from the related party. Regardless of the amount of the amount, the parent company is required to file an announcement on behalf of the subsidiary.

5.11.8 For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

5.11.9 In the case of a company whose shares have no par value or a par value other than NT\$10, for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.

5.12 Control procedures for obtaining or disposing of assets by subsidiaries:

- (1) The company shall urge all subsidiaries to stipulate the procedures for obtaining or disposing of assets. After their board of directors approves, they shall submit their shareholders' meeting for approval, and the same shall apply.
- (2) The acquisition or disposal of assets by each subsidiary shall be handled in accordance with the "Regulations for the Acquisition or Disposal of Assets" or other legal provisions. The financial department of the company shall assess the feasibility, necessity and rationality of the acquisition or disposal of the assets, and follow up the implementation status after the analysis and conduct an analysis and review.
- (3) The internal auditors of the company shall regularly audit the compliance of each subsidiary with the "Regulations for obtaining or disposing of assets" and make an audit report; the findings and recommendations of the audit report shall be notified to each of the audited subsidiaries after the audit. Improve and regularly make follow-up reports to determine that they have taken appropriate improvement regulations in a timely manner.

- 5.13 Penalty: The relevant personnel of the company handle the acquisition or disposal of assets. In case of violation of the provisions of the regulations, they shall be punished according to the relevant rules and regulations of the company.
- 5.14 Supplementary to relevant laws and regulations: Matters not covered in the regulations are handled in accordance with the relevant laws and regulations.
- 5.14.1 The company may not give up on Advanced Lithium Electrochemistry Co., Ltd., Taiwan, Advanced Lithium Electrochemistry Co., Ltd., Hong Kong. The company's capital increase in the coming years; Advanced Lithium Electrochemistry Co., Ltd., Hong Kong shall not abandon the capital increase of the opposite year of the Aleees Eco Ark (Shanghai) Co., Ltd.
- 5.14.2 In the future, if the company is required to abandon the capital increase or dispose of the company's equity in the company, it must be approved by the company's board of directors due to the strategic alliance considerations or other consents of the "Republic of China Securities Counter Trading Center". . In the event of any amendments to this regulation, the major information of the public information observatory should be revealed and reported to the "Corporate Trading Centre of the Republic of China" for future reference.
- 5.15 Implementation and revision:
- 5.15.1 The company shall stipulate that the Regulations shall be implemented by the Board of Directors and submitted to the shareholders' meeting for approval, and shall be implemented from the date of the listing of the shares of the Company on the Taiwan Stock Exchange Co., Ltd. or the Securities and Futures Securities Trading Center of the Republic of China. If a director expresses dissent and has a record or written statement, the company shall report its objection to the shareholders' meeting for discussion. The same applies to the amendment.
- 5.15.2 When the company has set up independent directors, when submitting the regulations to the board of directors for discussion according to the provisions of 5.15.1, the opinions of each independent director shall be fully considered, and their objections or reservations shall be included in the records of the board of directors.
- 5.15.3 If the audit committee has been set up in accordance with the articles of association of the company, the amendment or amendment of the regulations shall be subject to the approval of more than one-half of the members of the audit committee and the resolution of the board of directors shall be submitted.
- 5.15.4 If more than one-half of the members of the audit committee have agreed in article 5.15.3, more than two-thirds of all directors may agree to do so, and the resolution of the audit committee shall be stated at the chairman's meeting.

5.15.5 All members of the Audit Committee as referred to in 5.15.3 and all directors referred to in the preceding paragraph shall be calculated by the actual incumbent.

6. References:

6.1 Derivatives log book.

7. Related forms:

7.1 Derivatives log book.

8. Attachment:

8.1 None.

Operating certificate:

1. None.

Precautions:

1. None.

3.Regulations Governing Shareholders' Meeting



英屬蓋曼群島商立凱電能科技股份有限公司
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.

Regulations Governing Shareholders' Meeting



Revise History				
Version	Owner	Review	Release Date	Release Explain
A	Tsai Hsing-fang	Chang Sheng-shih	120619	First Release
B	Tsai Hsing-fang	Chang Sheng-shih	130416	In order to comply with the FSC No.1020002909 notice.
C	Lee Yu-Mei	Huang An-pang	150612	In order to comply with the FSC No.1030051379 notice.
D	Huang An-pang	Chang Sheng-shih	160627	In order to comply with the current Regulations
E	Lee Yi-Ching	Chang Sheng-shih	200410	In order to comply with the Taipei Exchange No. 10900500261 notice.
F	Lee Yi-Ching	Chang Sheng-shih	211007	In order to comply with the Taipei Exchange No. 10900582661 notice.
G	Lee Yi-Ching	Chang Sheng-shih	220630	In order to comply with the Taipei Exchange No. 11100543771 notice.

1. Objectives:

These Regulations are duly enacted to assure a sound governance system for the Company's shareholders' meeting, wholesome superintendence functions and intensify managerial performance.

2. Scope:

These Regulations are applicable to the event where the Company convenes a shareholders' meeting.

3. Powers and responsibilities:

The shareholders' meeting shall be duly convened by the Financial & Accounting Department which shall take overall charge of affairs to convene shareholders' meeting.

4. Definitions:

Nil.

5. Contents of operation:

- 5.1 These Regulations are duly enacted in accordance with the Company's Articles of Incorporation and laws and ordinances concerned to assure a sound governance system for the Company's shareholders' meeting, wholesome superintendence functions and intensify managerial performance.
- 5.2 The Company shall duly convene meetings according to these Regulations unless otherwise prescribed in laws and ordinances concerned or the Articles of Incorporation.
- 5.3 The shareholders' meeting of the Company shall be duly convened by the Board of Directors unless otherwise prescribed in laws and ordinances concerned or the Articles of Incorporation
Changes to how the Company convenes its shareholders' meeting shall be resolved by the Board of Directors, and shall be made no later than mailing of the shareholders' meeting notice.
- 5.4 The Company shall have the notices to shareholders' meetings, blank paper for proxies, issues to be acknowledged, to be discussed, issues for election or discharge of directors and other instruction papers produced into electronic files and promulgated through the Market Observation Post System (MOPS) thirty days in advance of a regular meeting of shareholders or fifteen days in advance of a temporary (extraordinary) meeting of shareholders. The Company shall further have the shareholders' meeting agenda books, supplementary data of the meeting produced into electronic files and submitted to the website(s) promulgated by the competent authorities of the government got readily available to shareholders and displayed at the Company and the Company's agent for stock affairs twenty-one days in advance of a regular meeting of shareholders or fifteen days in advance of a temporary (extraordinary) meeting of shareholders. If the Company recorded a paid-in capital of 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 shareholders' meeting in the most recent fiscal year, it shall email the electronic file 30 days prior to the day on which the shareholders' meeting is to be held. Besides, the Company shall further make the shareholders' meeting agenda books, supplementary data of the meeting readily accessible to shareholders, displayed in the Company and

its shareholder services agent as well as fifteen days in advance of the shareholders' meeting.

The meeting agenda handbook and supplemental materials mentioned in the preceding paragraphs shall be made available for the shareholders to obtain and review on the day of shareholders' meeting by the Company in the following ways:

1. If the Company holds a physical shareholders' meeting, these materials shall be distributed at the shareholders' meeting.
2. When a video-assisted shareholders' meeting is held, the Company shall prepare a file of the shareholders' meeting agenda handbook and the supplemental materials referred to in the preceding paragraph to be distributed onsite of the shareholders' meeting, and an electronic file to be uploaded to the video conference platform.
3. When a video-assisted shareholders' meeting is held, an electronic file of the shareholders' meeting agenda handbook and the supplemental materials shall be uploaded to the video conference platform..

5.5 Subject to consent by the counterparts, the notices and promulgation of the Company shall bear the subjects of the meeting and may be served by electronic means.

5.6 The major issues regarding election or discharge of directors, amendment of Articles of Incorporation, capital reduction, termination of public offering, lifting the prohibition of competition on directors, earnings transferred to common stock, capital surplus transferred to common stock, dissolution, merger, division or any matter under Article 185, paragraph 1 of the Company Act or Articles 26-1 and 43-6 of the Securities and Exchange Act of the Company or other major issues which could not be suggested by means of occasional (extemporaneous) motions as regulated in the Articles of Incorporation shall be expressly enumerated in the subject issues of the meeting, with the main reasons stated; it shall not be suggested in the occasional (extemporaneous) motions process. The content could be displayed on websites designated by regulatory authorities of stock market of the company, and the website should be manifested in an notification.

It has been stated that the purpose of the shareholders' meeting was to re-elect directors and specify the date of inauguration. As the re-election is completed on the shareholders' meeting, such resolution of inauguration date should not be changed in the same meeting shall not in the occasional (extemporaneous) motions process.

5.7 A shareholder who holds over 1% of the total issued shares of the Company may propose to discuss it in the General Shareholders' Meeting, but for one issue only. Issues more than one covered in such discussion shall not be covered into the agenda. In the event that an issue suggested by a shareholder which should not be entered as an issue as promulgated in the Articles of Incorporation, the Board of Directors shall not enter it as an issue for the meeting.

The shareholders shall propose to promote the company's devotion in public welfare or its social responsibility, and procedures shall be subject to the related regulation set forth in the Company Act.

5.8 The Company shall promulgate the channels to accept printed or electronic document of suggestions as well as the location and period to accept suggestions from shareholders before the date to suspend stock transfer prior to convening of a regular meeting of shareholders. The period to accept suggestions shall not be less than ten days in minimum.

- 5.9 An issue suggested by a shareholder shall not exceed the maximum of three hundred Chinese characters. An issue suggested by a shareholder exceeding three hundred Chinese characters shall not be entered as an issue. A shareholder who submits a suggestion shall attend the shareholders' meeting and participate in discussion of that issue either in person or through a proxy.
- 5.10 The Company shall keep the suggesting shareholders informed of the results to accept or reject their suggestions prior to the date to serve notice for the meeting and shall have the accepted suggestions expressly entered into the notices to the meeting. On suggestions offered by shareholders which are not entered into the issues, the Board of Directors shall explain during the shareholders' meeting the reasons why they are not accepted.
- 5.11 The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any shareholder shall not invalidate the proceedings at that meeting.
- 5.12 A shareholder may, for each shareholders' meeting, issue the proxy (power of attorney) in the form printed and provided by the Company, expressly bearing the scope of the authorized powers to authorize a proxy to attend a shareholders' meeting on his or her behalf.
- 5.13 A shareholder may issue only one proxy (power of attorney) and may authorize only one proxy. The proxy (power of attorney) shall be submitted to the Company five days in advance of the meeting. In case of a duplication case of proxy, the proxy shall be accepted on the first come first served basis unless the preceding proxy received is declared withdrawn.
- 5.14 In the event that a shareholder intends to attend a shareholders' meeting in person after submitting his or her proxy (power of attorney) to the Company, he or she shall serve a notice to the Company in writing to withdraw the proxy two day preceding the date scheduled for the meeting. In the event that the withdrawal is overdue behind schedule, only the voting power balloted by the proxy shall be accepted.
- If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders' meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
- 5.15 The arena to convene a shareholders' meeting shall be, pursuant to the Company's Articles of Incorporation and subject to approval by the GreTai Securities Market (GTSM), in a location inside the territories of the Republic of China convenient to shareholders to attend the meeting. A shareholders' meeting shall start at a time not earlier than 9:00 a.m. or beyond 3:00 p.m.. The opinions of the independent directors shall be taken into adequate consideration regarding the time and location of the shareholders' meeting.
- The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders' meeting.
- 5.16 The Company shall specify in its shareholders, solicitor and proxy agent meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.
- The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which

attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.

The Company shall provide a sign-in book wherewith the present shareholders or the proxies (powers of attorney) (hereinafter collectively referred to as shareholders) may sign in for presence. Or the shareholders present in person may submit sign-in cards instead of signing on the book.

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

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

5.16.1. To convene a virtual shareholders' meeting, this Corporation shall include the follow particulars in the shareholders' meeting notice:

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

5.17 The Company shall hand over to present shareholders the agenda book of the shareholders' meeting, annual report, participation certificates, statements of speech, voting ballots and other documents of the meeting, along with election ballots in the event that directors are to be elected in the shareholders' meeting.

- 5.18 Present shareholders shall attend a shareholders' meeting based on their participation certificates, participation sign-in cards or other presence certificate(s). The Company shall not ask shareholders to show any other certificates. A shareholder who solicits a proxy (power of attorney) shall also get ready identity certificate ready for verification.
- 5.19 In case a government or judicial (corporate) person is a shareholder, the representative(s) thereof shall not be limited to one person. When a juristic (corporate) person is authorized to be a proxy to attend a shareholders' meeting, it may appoint only one representative to attend the meeting.
- In the event that a shareholders' meeting is convened by the Board of Directors, such shareholders' meeting shall be chaired by the Chairman. In the Chairman's absence or unavailability to exercise his responsibilities and powers, the Vice Chairman shall act in place. If the Company has no Vice Chairman or if the Vice Chairman is unavailable to perform the duties as well, the Chairman shall, in advance, appoint a director to act in his place. In absence of such appointment by the Chairman, one director shall be elected from among themselves to act in the place.
- When a director serves as chair, as referred to in the preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.
- 5.20 A shareholders' meeting convened by the Board of Directors, Chairman shall be chaired, and it is advisable that attended by a majority of the total director seats of the Board of Directors , and at least one seat of the Audit Committee being attended , and any other function committee member being attended. Such situation of attendant shall be recorded on the meeting minutes.
- 5.21 In the event that a shareholders' meeting is convened by the convener beyond the Board of Directors, the shareholders' meeting shall be chaired by that convener.
- 5.22 In case of two or more conveners, one among the conveners shall be elected from among themselves to chair the meeting.
- 5.23 The Company may appoint the retained Attorney(s)-at-Law, Certified Public Accountant(s) or other people concerned to attend the shareholders' meeting as an observer.
- 5.24 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.
- The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to the Articles of Incorporation or the Company Act, the recording shall be retained until the conclusion of the litigation.
- Where a shareholders' meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.
- The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

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

5.25 The presence by shareholders in a shareholders' meeting shall be calculated on the grounds of the number of shares represented by the present shareholders. The number of shares represented by the present shareholders shall be calculated based on the sign-in book or the submitted presence cards and the shares checked in on the virtual meeting platform added with the number of shares represented by the voting powers exercised in electronic means.

5.26 When the shareholders' meeting begins, if the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, this Company shall also declare the meeting adjourned at the virtual meeting platform. If it is still necessary to convene a shareholders' meeting, a new shareholders' meeting shall be held in accordance with the Articles of Incorporation.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to the regulations in the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 5.16.

If, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may officially announce the meeting beginning, and resubmit the tentative resolutions that have been made to the shareholders' meeting for ratification.

5.27 In the event that a shareholders' meeting is convened by the Board of Directors, relevant agendas (including the extempore motion or amendment of the existing agenda) should be resolved case by case. The agenda shall be fixed by the Board of Directors. The shareholders' meeting shall be duly held based on the scheduled agenda which shall not be changed unless resolved by the shareholders' meeting.

5.28 In the event that a shareholders' meeting is convened by a person beyond the Board of Director, the provision set forth in the preceding paragraph is applicable *mutatis mutandis* to the process.

5.29 The chairperson shall not promulgate adjournment of the meeting until the issues arranged in the agenda mentioned in the two preceding paragraphs (including occasional (extemporaneous) motions). In the event that the chairperson violates the regulations of the shareholders' meeting by promulgating adjournment of the meeting unlawfully, other members of the Board of Directors shall promptly help the present shareholders elect another person by a majority vote of the voting powers held by the present shareholders as the new chairperson to continue the meeting process.

5.30 Where a shareholder proposes an amendment or occasional (extemporaneous) motions, the chairperson shall grant him or her opportunities for adequate explanation and discussion. When the issue is deemed to be up to the extent for balloting, the chairperson may promulgate discontinuance of

discussion to start balloting for decision. Attendees should be offered with adequate time to vote.

- 5.31 A present shareholder who intends to speak out shall fill out the floor note, expressly indicating highlights of the speech, shareholder account number (or participation certificate code) and name of the shareholder. The chairperson shall fix the order of speech floor.
- 5.32 A shareholder who fails to speak up after having given the floor note is deemed as having not spoken out. In case of a discrepancy between the contents of actual speech and the entry on the floor, the contents of actual speech shall be acknowledged.
- 5.33 Each shareholder shall not speak for a same issue twice, or over five minutes each time unless agreed upon by the chairperson. In the event that a shareholder speaks against requirements or goes beyond the scope of the subject issue, nevertheless, the chairperson may stop his or her speech.
- 5.34 While a present shareholder speaks up, other shareholders shall not speak to interfere with the speech unless agreed upon by the chairperson or the speaking shareholder. Otherwise the chairperson shall stop such interfering speech.
- 5.35 Where a juristic (corporate) person shareholder assigns two or more representatives to attend a shareholders' meeting, only one among them shall be appointed to speak up for a same issue.
- 5.36 After a present shareholder completes speech, the chairperson may reply in person or through a designee.
- 5.37 A decision in a shareholders' meeting shall be resolved based on the number of the represented shares.
- 5.38 In the resolving process in a shareholders' meeting, the number of shares held by shareholders who are not entitled to vote shall not be counted.
- 5.39 On an issue discussed in a shareholders' meeting, a shareholder who is likely to get involved in conflict of interests shall not participate in the voting process, nor shall he or she vote as a proxy for another shareholder.
- 5.40 The aforementioned number of shares not entitled to the voting power shall not be counted into the number of votes of present shareholders.
- 5.41 Except for the chairman being deemed appointed of a general meeting as proxy under Article 5.43 or prescribed in the Company's Articles of Incorporation, when a person is authorized by two or more shareholders simultaneously, his or her voting power shall not exceed 3% of the number of total issued shares of the Company as the voting powers. The voting power in excess, if any, shall be discarded.
- 5.42 Each share hereof is entitled to one voting power unless otherwise prescribed in the Company's Articles of Incorporation.
- 5.43 While a shareholders' meeting is convened by the Company, voting powers may be exercised in writing or by electronic means. In the event that the voting power is exercised in writing or by electronic means, the method of voting power shall be expressly entered into the notices to the shareholders' meeting. A shareholder who exercises voting power in writing or by electronic shall be deemed to have appointed the chairman of the general meeting as his proxy to vote his shares at the general meeting only in the manner directed by his written instrument or electric document. On the occasional (extemporaneous) motions or amendment of the initial issue, nevertheless, such shareholder who exercises voting power in writing or by electronic means is deemed to have abstained.
- 5.44 A shareholder who exercises voting power in writing or by electronic means as mentioned in the

preceding paragraph shall have his or her intent expressed in writing to the Company two days prior to the date scheduled for the meeting. In case of duplication in expression of the intent, it shall be managed on the first come first served basis unless the preceding expression is declared withdrawn.

- 5.45 In the event that a shareholder intends to participate in the shareholders' meeting in person or video after having exercised voting power in writing or by electronic means, he or she shall withdraw the expression of the intent in a means same as the exercise of voting power in writing or by electronic means at least on two days preceding the date scheduled for the shareholders' meeting. In case of an overdue withdrawal, the voting power in writing or by electronic means shall govern. In the event that a shareholder who exercises voting power in writing or by electronic means and, meanwhile, authorizes a proxy with proxy (power of attorney) to attend the meeting, the voting power exercised by the proxy shall be acknowledged.
- 5.46 Unless otherwise provided for in the Company Act and Company's Articles of Incorporation, decisions in the shareholders' meeting shall be resolved by a majority vote of the present shareholders in the meeting. During the voting process, the chairperson or his or her designee shall announce the total number of balloting powers represented by the present shareholders and voting by each case. After the meeting, key in the results of agree, disagree and waived on the MOPS.
- 5.47 An issue is deemed to have been duly resolved if no objection is heard in response to inquiry by the chairperson toward all present shareholders. The decision so solved is equally valid as a decision duly resolved through balloting process. A shareholder who objects such a decision shall duly vote through balloting in accordance with the preceding paragraph. Other than those issues already entered into the agenda, other issues or an amendment or a substitution posed by a shareholder shall be duly seconded before being discussed.
- 5.48 Where a same issue is accompanied by an amendment or a substitution, the chairperson shall consolidate that issue into the initial issue to fix the subsequence of balloting. When one of such issues is resolved, other issues are deemed to have been vetoed. No voting process is required.
- 5.49 The personnel to monitor and to tally ballots shall be designated by the chairperson. The monitor shall come out among shareholders.
- 5.50 Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When the Company convenes a virtual shareholders' meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting. In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately. When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 5.16 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only

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

- 5.51 In the event that director(s) is(are) elected in a shareholders' meeting, the election shall be duly handled in accordance with the election regulations enacted by the Company. The election outcome shall be announced on-the-spot, including the names of those elected as directors and the numbers of votes with which they were elected.
- 5.52 The election ballots for election mentioned in the preceding paragraph shall be duly signed and tightly sealed up by the monitor before being put into careful custody and shall be archived for a minimum of one year, but shall be archived till the litigation is concluded in the event that a shareholder lodges litigation to withdraw the decision in accordance with the Company's Articles of Incorporation.
- 5.53 Minutes of shareholders' meeting shall be duly worked out, duly signed and affixed seal by the chairperson and shall be served to all shareholders within twenty days after the meeting. The minutes may be worked out and handed out in electronic means.
- 5.54 Minutes of shareholders' meeting could be key in to Market Observation Post System (MOPS) for issuing.
- 5.55 Minutes of shareholders' meeting shall bear the month, date, year, place of the meeting, the chairperson's name, the method of resolution through voting (including the weighted voting). When an election of directors is held, the number of weighted votes each candidate wins shall be publicized. The progress and highlights of the meeting and shall be archived in the Company throughout the period while the Company exists.
- If a shareholders' meeting is convened by video conference, the minutes of the meeting shall include, in addition to the information required by the preceding paragraph, the commencement and ending time of the shareholders' meeting, the method of convening the meeting, the names of the chairman and the minutes, and the way and circumstances in which the video conference platform or video participation is hindered due to natural disasters, events or other force majeure circumstance. When the Company convenes a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholder meeting online shall be specified.
- 5.56 Regarding the method of resolution mentioned in the preceding paragraph, in the event that a decision is resolved without an objection in response to inquiry by the chairperson toward all present shareholders, the minutes shall expressly remark "The issue is unanimously resolved by all shareholders present in the meeting without an objection in response to inquiry by the chairperson toward all present shareholders". If using the method of balloting, the minutes shall expressly remark the method of balloting, the number of voting powers and ratio of the voting power.
- 5.57 On the number of shares solicited by a shareholder and the number of shares represented by proxies and in writing or by electronic means, the Company shall, on the very day when the shareholders' meeting is convened, duly work out the statistical table based on the specified format and expressly

disclose at the site of the shareholders' meeting.

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

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

- 5.58 In the event that the decisions resolved involve major messages promulgated by law, the Company shall have the contents of such decisions transferred to the website designated by the competent authorities of the government.
- 5.59 The staff in charge of shareholders meeting shall bear identity certificates or an arm-band.
- 5.60 The chairperson may direct the discipline guards or security guards to help maintain a sound order of the shareholders' meeting. The discipline officers or security guards shall, while maintaining the order of the meeting, wear identity certificates or arm-bands reading "discipline officers".
- 5.61 In the event that loudspeaker equipment is provided for the shareholders' meeting site, the chairperson shall stop anyone who speaks up not with the equipment provided by the Company.
- 5.62 In the event that a shareholder violates the regulations of the meeting and defies regulation by the chairperson, or obstructs the progress of the meeting and defies correcting order, the chairperson may order the discipline officers or security guards to dispel such shareholder out of the shareholders' meeting site.
- 5.63 During progress of a shareholders' meeting, the chairperson may fix a time as appropriate for a recess. Upon occurrence of *force majeure*, the chairperson may order temporary suspension of the meeting and announce the time to resume the meeting as the actual situations may justify.
- 5.64 In the event that the site for the shareholders' meeting cannot be continually used until the scheduled issues (including occasional (extemporaneous) motions) are concluded, the meeting may be relocated elsewhere as appropriate to continue the process of the shareholders' meeting as resolved in the shareholders' meeting.
- 5.65 In the event of a virtual shareholders' meeting, this Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.
- 5.66 When the Company convenes a virtual-only shareholders' meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.
- 5.67 In the event of a virtual shareholders' meeting, this Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at

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

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

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

When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

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

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

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

5.68 When convening a virtual-only shareholders' meeting, this Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholder meeting online.

5.69 A shareholders' meeting may be deferred or resumed within five days after adjournment of the meeting announced by the chairperson in accordance with the Company's Articles of Incorporation.

5.70 These Regulations Governing Shareholders' Meeting and amendment hereof shall be enforcement after approved by the shareholders' meeting.

6. References:

Nil.

7. Forms concerned:

Nil.

8. Appendices:

Nil.

Operating vouchers

1. Sign-in book of shareholders.
2. Minutes of shareholders' meeting.

Matters needing attention

Nil.

4. Stockholding of directors



英屬蓋曼群島商立凱電能科技股份有限公司
Advanced Lithium Electrochemistry (Cayman) Co., Ltd.

Stockholding of directors

Position	Name	Number of shares in the list of shareholders for book closure
Chairman	Sheng-Shih Chang,	222,129
Director	Jui-Yang Chu	183,620
Director	Yu-Mei Lee	-
Independent director	Pao-Sheng Wei	-
Independent director	Chao-Chin Lee	-
Independent director	Ying-Chou Wang	
Total		405,749

Note: 1. Date of book closure April 5, 2025.

2. The company's number of shares of its paid-in capital is 68,000,000 shares in April 5, 2025.

3. The regulations for the numbers of shares required to be held do not apply in accordance with the number of shares of directors' supervisors of the company and Article 2 of the implementation regulations.

aleees

