



Stock Code: 5546

Yonggu Group Inc.

2020 Annual General Meeting Handbook

Time: 9:00 AM on June 30, 2020

Location: 15F., No. 99, Fuxing N. Rd., Songshan District, Taipei City

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Yonggu Group Inc

2020 Annual General Meeting Procedures

- Call the Meeting to Order
- Chairperson Remarks
- Announcements
- Proposals
- Discussions
- Extempore Motions
- Meeting Adjourned

Yonggu Group Inc

2020 Annual General Meeting Agenda

Time: 9:00 AM on June 30, 2020

Location: 15F., No. 99, Fuxing N. Rd., Songshan District, Taipei City

I. Report Items

- (I) 2019 Business Report
- (II) Audit Committee's Review Report of the 2019 Financial Statements
- (III) 2019 Employee and Director Remuneration Distribution Report.
- (IV) Amendments to the Company's Ethical Corporate Management Best Practice Principles.

II. Proposals

- (I) Adoption of the 2019 Business Report and Financial Statements.
- (II) Adoption of the Proposal for 2019 Earnings Distribution.

III. Discussions

- (I) Amendments to the Company's Articles of Association.
- (II) Amendments to the Rules and Procedures of shareholders' meeting.

IV. Extempore Motions

V. Meeting Adjourned

I. Report Items

Report No. 1

Subject: 2019 Business Report.

Explanation: Please refer to Attachment 1 on #pages 7 to 8# of the Handbook for the 2019 Business Report.

Report No. 2

Subject: 2019 Audit Committee's Review Report.

Explanation: Please refer to Attachment 2 on #pages 9# of the Handbook for the 2019 Audit Committee's Review Report.

Report No. 3

Subject: 2019 Employee and Director Remuneration Distribution Report.

Explanation:

1. The Company's profit before tax in 2019 was NT\$594,936 thousand. According to the Company's Articles of Association and the suggestion of the 5th meeting of the 1st Remuneration Committee, no directors' remuneration will be distributed, while employees' compensation is increased by 1%, with total of NT\$6,000 thousand, and will be distributed to employees in cash.
2. The employees' compensation is limited to the employees of the Company, and the amount of payment will be calculated and distributed based on the personal performance assessment of the employee.

Report No.4

Subject: Amendments to the Ethical Corporate Management Best Practice Principles

Explanation: To comply with the amendment of relevant laws and regulations, the Company amended the Ethical Corporate Management Best Practice Principles. Please refer to Attachment 5 on #page 21 to page 25# and Appendix 1 on #page 46 to page 54# of this handbook for the comparison Table of Amendments to the Ethical Corporate Management Best Practice Principles and the original version.

II. Proposals

Proposal No. 1 (Proposed by the Board of Directors)

Subject: Please proceed the adoption of 2019 Business Report and Financial Statements.

Explanation:

1. The 2019 financial statements were audited by independent auditors, Yu-Lung, Wu, of PwC Taiwan and an independent auditors' report was issued. The business report and financial statements have been approved by the Board and examined by the Supervisors before they are submitted to the annual meeting of shareholders for adoption.
2. For the business report and the aforementioned statements, please refer to Attachment 1 on #page 7 to page 19# of this handbook.

Resolution:

Proposal No. 2 (Proposed by the Board of Directors)

Subject: Please proceed the adoption of the 2019 Earnings Distributions

Explanation:

1. The Company's 2019 Earning Distribution was approved by the Board of Directors on April 24, 2020.
2. The net profit after tax of the Company for 2019 was NT\$463,081 thousand, plus the undistributed earnings of NT\$471,382 at the end of 2018, the available earning distribution was NT\$934,463 thousand. It is proposed to distribute a cash dividend of NT\$306,900 thousand to shareholders (NT\$4 per share based on face value), and the undistributed earning at the end of the distribution period is NT\$627,563 thousand. Please refer to Attachment 4 on #page 20# of this handbook for the Distribution of Earnings.
3. After the proposal has been approved by the Shareholders' Meeting, the Board of Directors will be authorized to stipulate the ex-dividend date and other related matters.
4. This earning is distributed before the ex-dividend date, and due to the changes in laws or regulations or adjustments by the competent authority, or when the Company buys back shares, which affects the number of shares in circulation and other factors require adjustment of the distribution ratio, the Board of Directors is authorized to handle and adjust the dividend ratio.

Resolution:

III. Discussions

Discussion No. 1 (Proposed by the Board of Directors)

Subject: The amendments to the Company's Articles of Association is hereby submitted for discussion.

Explanation:

To comply with the amendment of the Company Act and the Checklist for the Protection of the Rights and Interests of Shareholders in the Country of Registration of Foreign Issuers by the Taiwan Stock Exchange, the Company's Articles of Association is amended. For the Comparison Table of Amendments to the Articles of Association and the original version, please refer to Attachment 6 on #page 26 to page 39# and Appendix 2 on #page 55 to page 98# of this handbook.

Resolution:

Discussion No. 2 (Proposed by the Board of Directors)

Subject: The amendments to the Rules of Procedures for Shareholders' Meetings is hereby submitted for discussion.

Explanation:

To comply with the amendment of the relevant laws and regulations, the Company's Rules of Procedures for Shareholders' Meetings is amended. For the Comparison Table of Amendments to the Rules and Procedures of shareholders' meeting and the original version, please refer to Attachment 7 on #page 40 to page 44# and Appendix 3 on #page 99 to page 106# of this handbook.

Resolution:

IV. Extempore Motions

V. Meeting Adjourned

Chapter 3 Attachments

Business Report

I. Operational performance of 2019

(I) The Company's consolidated operating revenue in 2019 was NT\$6,122,936 thousand, an increase of NT\$1,155,043 thousand from 2018; gross profit was NT\$904,293 thousand, an increase of NT\$73,758 thousand from 2018; the operating profit was NT\$655,195 thousand, an increase of NT\$15,964 thousand from 2018; the net profit before tax in 2019 was NT\$594,936 thousand, an increase of NT\$48,956 thousand from 2018; after deducting income tax expense of NT\$131,855 thousand, the consolidated net profit after tax was NT\$463,081 thousand, an increase of NT\$16,766 thousand from 2018; the earnings per share after tax were NT\$7.14.

(II) Status of Research and Development

1. In line with the trend of environmental protection, the Company has researched and developed a new generation of green building materials, and has continuously obtained the honor of green production enterprises.
2. In response to the advancement of construction technology, various types of permeable, impermeable, underwater, fire-resistant, light-weight concrete were developed, and the Company has obtained the high-tech enterprise certificates.
3. To strengthen the industry-university cooperation, the Company and Chongqing Jiaotong University jointly develop high-bending concrete.
4. The Company continues to optimize the mix ratio, become the technology leader of the industry, and its quality is superior to the industry. The Company has become the designated manufacturer of various representative projects such as Caijia Bridge, Second Yangtze River Bridge, Six Roads of Chongqing, Chongqing Rail Transit and Raffles Building.
5. The Company cooperates with the upstream industry to develop new raw material and continues to develop new admixtures to improve the stability of concrete while effectively reducing costs.

II. Overview of 2020 Business Plan

(I) Business directions

1. Provide a healthy, safe and environmentally friendly plant environment.
2. Continuously optimize the mix ratio of concrete.
3. Cooperate with environmental protection policies to reduce the plant's carbon footprint.
4. Strengthen industry-university cooperation and develop new high-performance concrete.
5. Strengthen supplier management and stabilize the source and quality of raw materials.

(II) Expected sales volume and its basis and important production and sales policies

1. Provide the most stable products with quality as the core.
2. Customer-oriented, providing the fastest service.
3. Strengthen dispatch control, improve production and transportation efficiency.
4. Continue to undertake index projects and maintain the company's brand image.
5. Reached the sales target of 2.8 million cubic meters in 2020.

III. The Future Development Strategies of Yonggu Group Inc. and the Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Conditions:

With the increasing intensity of environmental pollution control in mainland China, ready-mixed commercial concrete, sand, cement and other industries are facing higher specifications for environmental protection. It is an important factor for the sustainable development of the concrete mixing industry that the concrete mixing industry does a good job in environmental protection. In the past, the low-quality or unlawful sources of materials flooded in the same industry have almost disappeared from the market in recent years. Under this circumstance, the concrete-related industries have begun to integrate, and the industrial environment and upstream and downstream industrial chains will become more robust. With its high quality, high efficiency and high environmental protection, the Company can also highlight its competitive advantage.

Although the ready-mixed concrete plant is an important locomotive for urban development, as the urban development matures, the ready-mixed concrete plant is facing tremendous relocation pressure. In addition to the development of green factories in the future, the Group also seeks opportunities in new markets. With continuous research and development of new products, the Company will also expand the scope of product supply and create higher profits for shareholders.

Although there is a new outbreak of pneumonia this year, it is estimated that the Company's operations have not been greatly affected by the outbreak. At present, the downstream construction sites have been resumed, and the Company's resumption progress is in line with expectations. Revenue and profit performance will be synchronously restored to the normal level in the past. Since the Company have been rooted in the concrete market in Chongqing for more than 20 years, the Company has established itself in a position of favorable development. In the future, with the large-scale development of infrastructure and real estate markets in the main city area of Chongqing, the operation outlook is optimistic, and the performance, operation scale and market share will continue to grow simultaneously.

Chairman:
Kuo-Chuan, Chien

President:
Huang-Chih, Lin

Accounting Officer:
Tsung-Yu, Tsai

Yonggu Group Inc

Audit Committee's Review Report

The Company's Board of Directors submitted the 2019 business report, consolidated financial reports and profit distribution proposal. The consolidated financial reports have been audited by PwC Taiwan and issued an audit report. The aforementioned business report, consolidated financial statement, and profit distribution proposal have been audited by this Audit Committee, and the Committee does not find any discrepancies. Thus, this report is made in conformity with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act; kindly review accordingly.

Yonggu Group Inc

Conveyor of the Audit Committee: Ping-Hsi, Chang

May 22, 2020

Certified Public Accountant (CPA) Review Report

(109) No.19002948

To Yonggu Group Inc.,

Audit Opinion

Yonggu Group Inc. and its subsidiaries' (hereafter "Yonggu Group") Consolidated Balance Sheet as of December 31, 2019 and 2018, in addition to the Consolidated Comprehensive Income Statement, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, and Notes to the Consolidated Financial Statements (including significant accounting policies) from January 1 to December 31, 2019 and 2018, have been audited by the CPAs.

Per opinions of the CPAs, the consolidated financial statements mentioned above have been prepared, in all material aspects, in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the FSC, and can be reasonably assessed to present the consolidated financial conditions of Yonggu Group and its subsidiaries as of December 31, 2019 and 2018, as well as the consolidated financial performance and consolidated cash flow as of January 1 to December 31, 2019 and 2018.

Basis for Opinion

For consolidated financial statements for the year ended December 31, 2019, we conducted our audit in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants," "Financial Supervisory Commission Letter Jin-Guan-Zheng-Shen-Zi No. 1090360805 dated February 25, 2020," and Generally Accepted Auditing Standards (GAAS) of the Republic of China. For consolidated financial statements for the year ended December 31, 2018, we conducted our audit in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants," and GAAS of the Republic of China. Our responsibilities required under said standards will be detailed in the section of "Auditor's responsibilities for the audit of the consolidated financial statements." We have stayed independent from Yonggu Group as required by the Code of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled other responsibilities as stipulated by the Code. We are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key Audit Matters

Key Audit Matters refer to matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the Yonggu Group for the year ended December 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming out opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Yonggu Group are stated as follows:

Existence of Sales Revenue

Description

Regarding the recognition of accounting policy for revenues, please refer to Notes IV (XXVIII) of the consolidated financial statements. For accounting description for revenue, please refer to Note VI (XVII) of the consolidated financial statements.

The region where the Yonggu Group is located is experiencing growth in the concrete industry. With the increase in business volume, the top ten customers have changed, and the number of transactions with the top ten customers is large. The nature and extent of the resources invested for audit purposes are greater; therefore, the accountant listed the existence of sales revenue of the top ten customers as one of the most important items for the audit.

How the matter was addressed in our audit

The independent auditors have performed the following key audit procedures for the matter mentioned above:

1. Understand the control procedures executed by management in the internal control system for sales.
2. Sample and audit the credit evaluation data of the top ten customers and compare them with public information.
3. Check the credit approval of the top ten customers.
4. Obtain the sales details of the top ten customers, sample and audit the relevant certificates.
5. Sample and seek external confirmation for the accounts receivable of the top ten new sales customers.
6. Obtain the payment details of the top ten customers after the period, sample and audit the relevant certificates.

Impairment Evaluation of Accounts Receivable

Description

For the accounting policy of accounts receivable, please refer to Note IV (VIII) of the consolidated financial statements; for the accounting estimates of the impairment evaluation of accounts receivable and the uncertainties of assumptions, please refer to Note V (II) of the consolidated financial statements; for account descriptions of accounts receivable, please refer to Note VI (II) of the consolidated financial statements; for disclosure of relevant credit risk information, please refer to Note XII (II) of the consolidated financial statements.

Yonggu Group manages the collection and collection operations of customers and bears the related credit risk. The management regularly assesses customers' credit quality and collection status and adjusts the credit policy towards customers in a timely manner. In addition, the impairment evaluation of accounts receivable is based on the relevant provisions of IFRS 9 "Financial Instruments" to assess expected credit losses. The management establishes an expected loss rate based on a number of factors that may affect the customer's ability to pay such as the overdue periods on the balance sheet date and in the past, the customer's financial status and economic status, and take prospective information onto consideration.

As the amount of accounts receivable of Yonggu Group has a significant impact on the

consolidated financial statements, the recognition of its losses involves the judgment of the management; therefore, the accountant listed the impairment evaluation of accounts receivable as one of the most important items for the audit.

How the matter was addressed in our audit

The independent auditors have performed the following key audit procedures for the matter mentioned above:

1. Understand the credit quality of the Yonggu Group's customers' credit and evaluate the policies and procedures for recognition of the allowance for accounts receivable.
2. Test against the aging schedule of accounts receivable and check the relevant supporting documents of the date of accounts receivable to confirm the classification of the aging period.
3. Refer to the historical loss occurrence rate in the past and consider the future prospects to evaluate the recognition of the allowance for losses, and obtain and review the relevant information provided by management.
4. Recalculate the allowance for losses to be recognized according to the ratio of allowance for losses.

Responsibility of the management and the governing body for the consolidated financial statements

The responsibility of the management was to establish financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" to properly indicate the company's financial status and to maintain necessary internal control with regard to establishment of consolidated financial statements to ensure such financial statements did not contain any false contents as a result of fraud or error.

In preparing the Consolidated Financial Statements, the responsibility of management includes assessing the Yonggu Group's ability to continue as a going concern, disclosing going concern related matters, as well as adopting going concern basis of accounting unless the management intends to liquidate the Yonggu Group or terminate the business, or has no realistic alternative but to do so.

The governing bodies of Yonggu Group (including the Audit Committee) have the responsibility to oversee the procedures for financial reporting.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Generally Accepted Auditing Standards (GAAS) of Republic of China will always detect a material misstatement when it exists. Misstatement may arise from frauds or errors. If it could be reasonably anticipated that the misstated consolidated amounts or aggregated sums could have an influence on the economic decisions made by the users of the consolidated financial statements, they will be deemed as material.

As part of an audit in accordance with GAAS of Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also execute the following tasks:

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 that 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 Yonggu Group's internal control.
3. Evaluate the appropriateness of accounting policies adopted by the management and the reasonableness of the accounting estimates and related disclosures made accordingly.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, determine whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Yonggu Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements; or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may cause the Yonggu Group to no longer continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Yonggu Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the 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 the governing body, we determined the key audit matters for Yonggu Group's consolidated financial statements for the year ended on December 31, 2019. 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.

PwC Taiwan

Shih-Chun Huang

CPA

Yu-Lung Wu

Financial Supervisory Commission

Approval Letter Number: Letter Jing-Guan-Zheng-Shen
No. 1050029449

Former Securities and Futures Commission, MOEA

Approval Letter Number: Letter (1997) Tai-Tsai-Zheng (6)
No. 83252

March 19, 2020

Yonggu Group Inc. and its subsidiaries
Consolidated Balance Sheet
December 31, 2019 and 2018

Unit: NT\$1,000

Assets			December 31, 2019		December 31, 2018	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	VI (I)	\$ 334,593	6	\$ 37,204	1
1150	Notes receivable, net	VI (II)	394,894	8	168,206	4
1170	Accounts receivable, net	VI (II)	3,601,146	69	2,813,704	72
1200	Other receivables from subsidiaries		1,857	-	5,559	-
130X	Inventories	VI (III)	47,327	1	41,905	1
1410	Prepayments		97,493	2	22,860	1
11XX	Total current assets		4,477,310	86	3,089,438	79
Non-current assets						
1600	Property, plant and equipment	VI (IV) and VIII	521,143	10	531,635	14
1755	Right-of-use assets	6 (5) and 8	117,566	2	-	-
1760	Investment property, net	VI (VII) and VIII	33,037	1	86,752	2
1780	Intangible assets		367	-	-	-
1840	Deferred income tax assets	VI (XXIII)	39,567	1	44,296	1
1900	Other non-current assets	VI (VIII) and VIII	20,474	-	145,679	4
15XX	Total non-current assets		732,154	14	808,362	21
1XXX	Total assets		\$ 5,209,464	100	\$ 3,897,800	100

(Continued)

Yonggu Group Inc. and its subsidiaries
Consolidated Balance Sheet
December 31, 2019 and 2018

Unit: NT\$1,000

Liabilities and equity			December 31, 2019		December 31, 2018	
			Amount	%	Amount	%
Liabilities						
Current liabilities						
2100	Short-term borrowing	VI (X)	\$ 707,581	14	\$ 514,571	13
2130	Provision - current	VI (XVII)	112,036	2	53,861	1
2150	Notes payable		-	-	18,356	1
2170	Accounts payable		1,957,292	38	1,285,928	33
2200	Other payables	VI (XI)	231,693	4	189,019	5
2220	Other payables - related parties		-	-	69,454	2
2230	Current income tax liabilities	VI (XXIII)	77,304	1	72,257	2
2250	Liability reserve - current	VI (XIII)	26,012	1	10,763	-
21XX	Total current liabilities		3,111,918	60	2,214,209	57
Non-current liabilities						
2570	Deferred income tax liabilities	VI (XXIII)	104,376	2	73,603	2
2600	Other non-current liabilities		41,492	1	46,544	1
25XX	Total non-current liabilities		145,868	3	120,147	3
2XXX	Total liabilities		3,257,786	63	2,334,356	60
Equity						
Equity attributable to shareholders of the parent						
Share capital		VI (XIV)				
3110	Share capital - common stock		680,750	13	646,750	17
Capital surplus		VI (XV)				
3200	Capital surplus		465,358	9	295,358	7
Retained earnings		VI (XVI)				
3350	Unappropriated retained earnings		934,463	18	665,407	17
Other equity interest						
3400	Other equity interest		(128,893)	(3)	(44,071)	(1)
31XX	Equity attributable to owners of parent company		1,951,678	37	1,563,444	40
3XXX	Total equity		1,951,678	37	1,563,444	40
Significant contingent liabilities and unrecognized contract commitments		IX				
Significant events after the balance sheet date		XI				
3X2X	Total liabilities and equity		\$ 5,209,464	100	\$ 3,897,800	100

The notes to consolidated financial statements attached behind is part of this consolidated financial statements. Please refer to the consolidated financial statements along with the notes.

Chairman:
Kuo-Chuan, Chien

President:
Huang-Chih, Lin

Accounting Officer:
Tsung-Yu, Tsai

Yonggu Group Inc. and its subsidiaries
Consolidated Comprehensive Income Statement
January 1 to December 31, 2019 and January 1 to December 31, 2018

Unit: NT\$1,000
(Except the unit of earnings per share is NT\$)

Item	Note	2019		2018	
		Amount	%	Amount	%
4000 Operating revenue	VI (XVII)	\$ 6,122,936	100	\$ 4,967,893	100
5000 Operating costs	VI (III) (XXI)	(5,218,643)	(86)	(4,137,358)	(83)
5900 Gross profit		<u>904,293</u>	<u>14</u>	<u>830,535</u>	<u>17</u>
Operating expenses	VI (XXI)				
6100 Selling expenses		(34,480)	(1)	(27,180)	(1)
6200 Administrative expenses		(133,324)	(2)	(110,760)	(2)
6300 Research and development expenses		(11,082)	-	(8,825)	-
6450 Expected credit impairment loss	XII (II)	(70,212)	(1)	(44,539)	(1)
6000 Total operating expenses		(249,098)	(4)	(191,304)	(4)
6900 Operating profit		<u>655,195</u>	<u>10</u>	<u>639,231</u>	<u>13</u>
Non-operating income and expenses					
7010 Other income	VI (XVIII)	9,259	-	26,938	1
7020 Other gains and losses	VI (XIX)	(38,242)	(1)	(94,185)	(2)
7050 Finance costs	VI (XX)	(31,276)	-	(26,013)	(1)
7000 Total non-operating income and expenses		(60,259)	(1)	(93,260)	(2)
7900 Net income before tax		<u>594,936</u>	<u>9</u>	<u>545,971</u>	<u>11</u>
7950 Income tax expenses	VI (XXIII)	(131,855)	(2)	(99,656)	(2)
8200 Net profit for this period		<u>\$ 463,081</u>	<u>7</u>	<u>\$ 446,315</u>	<u>9</u>
Other comprehensive income - net					
Items that may be reclassified subsequently to profit or loss					
8361 Exchange differences on translation of foreign financial statements		(\$ 84,822)	(1)	(\$ 36,048)	(1)
8360 Total amount of items that may be reclassified subsequently to profit or loss		(84,822)	(1)	(36,048)	(1)
8300 Other comprehensive income - net		(\$ 84,822)	(1)	(\$ 36,048)	(1)
8500 Total comprehensive income (loss)		<u>\$ 378,259</u>	<u>6</u>	<u>\$ 410,267</u>	<u>8</u>
Net profit attributable to:					
8610 Owners of the parent company		<u>\$ 463,081</u>	<u>7</u>	<u>\$ 446,315</u>	<u>9</u>
Total comprehensive gains attributable to:					
8710 Owners of the parent company		<u>\$ 378,259</u>	<u>6</u>	<u>\$ 410,267</u>	<u>8</u>
Basic earnings per share					
9750 Net profit for this period	VI (XXIV)	<u>\$ 7.14</u>		<u>\$ 6.92</u>	
Diluted earnings per share					
9850 Net profit for this period	VI (XXIV)	<u>\$ 7.14</u>		<u>\$ 6.92</u>	

The notes to consolidated financial statements attached behind is part of this consolidated financial statements. Please refer to the consolidated financial statements along with the notes.

Chairman:
Kuo-Chuan, Chien

President:
Huang-Chih, Lin

Accounting Officer:
Tsung-Yu, Tsai

Yonggu Group Inc. and its subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2019 and January 1 to December 31, 2018

Unit: NT\$1,000

		Equity attributable to owners of the parent company					
		Share capital	Capital surplus	Retained Earnings	Other equity		
	Note	Common stock	Capital collected in advance	Issuance premium	Undistributed earnings	Exchange differences on translation of foreign financial statements	Total
<u>2018</u>							
Balance as of January 1, 2018		\$ 500,000	\$ 59,520	\$ 500,598	\$ 219,092	(\$ 8,023)	\$ 1,271,187
Net profit for this period		-	-	-	446,315	-	446,315
Other comprehensive income (loss)		-	-	-	-	(36,048)	(36,048)
Total comprehensive income		-	-	-	446,315	(36,048)	410,267
Cash capital increase	VI (XIV)	17,400	(59,520)	105,200	-	-	63,080
Capital increased by capital surplus	VI (XIV)	129,350	-	(129,350)	-	-	-
Cash dividends from additional paid-in capital	VI (XV)	-	-	(181,090)	-	-	(181,090)
Balance as of December 31, 2018		<u>\$ 646,750</u>	<u>\$ -</u>	<u>\$ 295,358</u>	<u>\$ 665,407</u>	<u>(\$ 44,071)</u>	<u>\$ 1,563,444</u>
<u>2019</u>							
Balance as of January 1, 2019		\$ 646,750	\$ -	\$ 295,358	\$ 665,407	(\$ 44,071)	\$ 1,563,444
Net profit for this period		-	-	-	463,081	-	463,081
Other comprehensive income (loss)		-	-	-	-	(84,822)	(84,822)
Total comprehensive income		-	-	-	463,081	(84,822)	378,259
Cash dividends	VI (XVI)	-	-	-	(194,025)	-	(194,025)
Cash capital increase	VI (XIV)	34,000	-	170,000	-	-	204,000
Balance as of December 31, 2019		\$ 680,750	\$ -	\$ 465,358	\$ 934,463	(\$ 128,893)	\$ 1,951,678

The notes to consolidated financial statements attached behind is part of this consolidated financial statements. Please refer to the consolidated financial statements along with the notes.

Chairman: Kuo-Chuan, Chien

President: Huang-Chih, Lin

Accounting Officer: Tsung-Yu, Tsai

Yonggu Group Inc. and its subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2019 and January 1 to December 31, 2018

Unit: NT\$1,000

Cash flows from operating activities

Profit before tax for the period		\$	594,936	\$	545,971
Adjustments					
Income and expenses having no effect on cash flows					
Expected credit impairment loss	XII (II)		70,212		44,539
Depreciation expense of property, plant and equipment and right-to-use assets	VI (XXI)		73,943		90,479
Loss (profit) on disposal of property, plant and equipment	VI (XIX)	(	677)		4,665
Impairment loss on property, plant and equipment	VI (XIX)		-		51,569
Estimated litigation compensations	VI (XIX)		16,258		10,975
Depreciation expense of investment property	VI (XXI)		3,421		7,788
Rental expense of the land use right	VI (XXI)		-		3,459
Amortization expenses of intangible assets	VI (XXI)		191		314
Interest income	VI (XVIII)	(	774 )	(	3,258)
Interest expense	VI (XX)		31,276		26,013
Changes in operating assets and liabilities					
Net changes in operating assets					
Notes receivable, net		(	226,758)		183,636
Accounts receivable, net		(	850,465 )	(	1,121,787)
Other receivables from subsidiaries			3,702	(	2,069)
Inventories		(	5,422 )	(	2,231)
Prepayments		(	74,633)		5,937
Other non-current assets			-		162
Net changes in liabilities relating to operating activities					
Contract liability - current			58,175		25,038
Notes payable		(	18,356)		18,356
Accounts payable			671,364		209,182
Other payables			41,949		15,010
Other non-current liabilities		(	240 )	(	184)
Cash inflow generated from operations			388,102		113,564
Interest received			774		2,781
Interest paid		(	31,276 )	(	26,013)
Income tax received			-		197
Income tax paid		(	89,847 )	(	73,505)
Net cash flows from operating activities			<u>267,753</u>		<u>17,024</u>
<u>Cash flows from investing activities</u>					
Acquisition of property, plant and equipment		(	33,452 )	(	17,430)
Disposal of property, plant and equipment			3,377		3,941
Acquisition of intangible assets		(	572)		-
Refundable deposits paid		(	2,595 )	(	3,143)
Refundable deposits refunded			2,394		1,475
Net cash flows used in investing activities		(	<u>30,848</u>	(	<u>15,157</u>
<u>Cash flows from financing activities</u>					
Short-term loans borrowed	VI (XXVII)		871,314		480,763
Repayment of short term loans	VI (XXVII)	(	661,518 )	(	395,721)
(Loss) Gain in other payables - affiliated	VI (XXVII)	(	69,454)		36,642
Repayment of long-term loan	VI (XXVII)		-	(	71,000)
Increase in deposits received	VI (XXVII)		60,383		51,073
Decrease in guarantee deposits	VI (XXVII)	(	65,195 )	(	9,154)
Cash capital increase	VI (XIV)		204,000		63,080
Cash dividend paid	VI (XXVII)	(	194,025)		-
Cash dividends from additional paid-in capital	VI (XXVII)		-	(	181,090)
Net cash inflow (outflow) from financing activities			<u>145,505</u>	(	<u>25,407</u>
Effect of exchange rate		(	<u>85,021</u>	(	<u>32,194</u>
Increase (decrease) in cash and cash equivalents			297,389	(	55,734)
Cash and cash equivalents at beginning of year			37,204		92,938
Cash and cash equivalents at end of the year		\$	<u>334,593</u>	\$	<u>37,204</u>

The notes to consolidated financial statements attached behind is part of this consolidated financial statements. Please refer to the consolidated financial statements along with the notes.

Chairman:
Kuo-Chuan, Chien

President:
Huang-Chih, Lin

Accounting Officer:
Tsung-Yu, Tsai

YONGGU GROUP INC.

Distribution of Earnings 2019

Unit: NT\$1,000

Contents	Amount
Beginning balance of undistributes earnings	\$471,382
Add: Net profit after tax in 2019	463,081
Distributable net profit	934,463
Less: Allocation items	
Shareholders' dividend - cash dividend (NT\$4 per share)	(306,900)
Undistributed earnings at the end of the period	\$ 627,563

Note: The distribution of cash dividends shall be distributed by dollars (rounded down to the nearest dollar) and the aggregated amount of the odd lots shall be recorded as other income of the company.

Chairman:
Kuo-Chuan, Chien

President:
Huang-Chih, Lin

Accounting Officer:
Tsung-Yu, Tsai

Yonggu Group Inc
Comparison Table of Amended Articles for the Ethical Corporate Management Best Practice Principles

Amended Provision	Before Amendment	Explanation
<p>Article 1-1</p> <p>The Company shall request their directors and senior management to issue a statement of compliance with the ethical management policy and, in the employment criteria, require employees to comply with such policy.</p> <p>The Company shall disclose its honest management policy in internal regulations, annual reports, on the Company's website, or via other announcement methods. The honest management policy shall be announced at an appropriate time at product launches, investor conferences, and other public events so that suppliers, customers, and other business related organizations and personnel can clearly understand the Company's honest management concept and specifications.</p> <p>Paragraph 3: Omitted.</p>	<p>Article 1-1</p> <p>The Company shall request their Directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</p> <p>The Company and business group shall clearly specify in their rules and external documents the ethical corporate management policies and the commitment by the Board of Directors and the management for rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.</p> <p>Paragraph 3: Omitted.</p>	<p>To comply with the amendments to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, the Company shall require directors and senior management to issue a statement of compliance with the integrity management policy, and require employees to comply with the integrity management policy under the employment conditions, and must declare the integrity management policy externally. and amend the content of paragraph 2.</p>
<p>Paragraph 3 to 7 of Article 2-2: Omitted.</p> <p>The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.</p> <p>Paragraph 9: Omitted.</p>	<p>Paragraph 3 to 7 of Article 2-2: Omitted.</p> <p>The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.</p> <p>Paragraph 9: Omitted.</p>	<p>Amend and add new laws that unfair prohibitions should follow.</p>
<p>Article 3</p> <p>The Company has designated the audit unit as the solely responsible unit (hereinafter referred to as the "responsible unit of the Company") under the Board of Directors provided</p>	<p>Article 3</p> <p>The Company appoints the Integrity Management Promotion Group as the dedicated unit (hereinafter referred to as the "dedicated unit") to handle</p>	<p>To comply with the amendments to the Ethical Corporate Management Best Practice Principles for</p>

Amended Provision	Before Amendment	Explanation
<p>with adequate resources and appropriate personnel and in charge of the amendment, implementation, interpretation, and advisory services with respect to this code, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and report to the Board of Directors on a regular basis (at least once a year):</p> <p>I. Assist in incorporating moral and ethical values into the Company's operating strategy. Set preventive measures to ensure ethical management in compliance with the laws and regulations.</p> <p>II. Regularly analyzing and evaluating the risk of unethical conduct with respect to the Company's operations and business, and adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines.</p> <p>III. Plan internal organization, structure, and allocation of responsibilities. Set up mutual supervision and checks-and-balance mechanisms for operating activities within the business scope that are at high risk of unethical conduct.</p> <p>IV. Promote and coordinate awareness and educational activities with respect to ethical policy.</p> <p>V. Develop a whistle-blowing system and ensure effective implementation.</p> <p>VI. Assist the board and management team in auditing and assessing whether preventive measures for implementing ethical management are operating effectively and preparing reports on regular assessment of compliance with ethical management in operating procedures.</p> <p>VII. <u>Compile documented information on the ethical management policy, statement, commitment and</u></p>	<p>amendment, implementation, interpretation, and consultation regarding this code. The dedicated unit shall also log the report content into file records and supervise implementation. Its duties mainly include the following items and it shall make regular reports to the Board (at least once a year):</p> <p>I. Assist in incorporating moral and ethical values into the Company's operating strategy. Set preventive measures to ensure ethical management in compliance with the laws and regulations.</p> <p>II. Regularly analyzing and evaluating the risk of unethical conduct with respect to the Company's operations and business, and adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines.</p> <p>III. Plan internal organization, structure, and allocation of responsibilities. Set up mutual supervision and checks-and-balance mechanisms for operating activities within the business scope that are at high risk of unethical conduct.</p> <p>IV. Promote and coordinate awareness and educational activities with respect to ethical policy.</p> <p>V. Develop a whistle-blowing system and ensure effective implementation.</p> <p>VI. Assist the board and management team in auditing and assessing whether preventive measures for implementing ethical management are operating effectively and preparing reports on regular assessment of compliance with ethical management in operating procedures.</p>	<p>TWSE/GTSM Listed Companies, in addition to being affiliated with the board of directors, the dedicated unit shall allocate sufficient resources and qualified personnel; in addition, for the integrity management policies, statements, commitments and implementation, documented information should be produced and properly kept</p> <p>No. 7 is added.</p>

Amended Provision	Before Amendment	Explanation
<u>implementation and retain said information properly.</u>		
<p>Article 6</p> <p>When meeting matters at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, independent directors, managers, and other stakeholders attending or present at board meetings of a TWSE/GTSM listed company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.</p> <p><u>Where the spouse, a relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, the director shall be deemed to have a personal interest in the matter.</u></p> <p>Paragraph 3 and Paragraph 4: Omitted.</p>	<p>Article 6</p> <p>When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, independent directors, managers, and other stakeholders attending or present at board meetings of a TWSE/GTSM listed company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.</p> <p>Paragraph 2 and paragraph 3: Omitted.</p>	<p>To comply with the amendment of Regulations Governing Procedure for Board of Directors Meetings of Public Companies, the first paragraph was amended; to comply with the paragraph 3 of article 06 of the Company, paragraph 2 of this article is added, clearly stipulate that 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, such director shall be deemed to have a personal interest in the matter; the paragraph number was amended.</p>
<p>Paragraph 1 of Article 14: Omitted.</p> <p>An independent mailbox or hotline, either internally established on the Company's website and internal website and publicly announced or provided by an independent external institution, to allow company insiders and outsiders to submit reports. A whistleblower shall at least furnish the following information:</p> <p>I. <u>The whistleblower's name and I.D. number, and an address, telephone number and e-mail address where it can be reached, but the whistleblower may also be</u></p>	<p>Paragraph 1 of Article 14: Omitted.</p> <p>An independent mailbox or hotline, either internally established on the Company's website and internal website and publicly announced or provided by an independent external institution, to allow company insiders and outsiders to submit reports. A whistleblower shall at least furnish the following information:</p> <p>I. An address, telephone number and e-mail address where whistleblower can be reached.</p> <p>II. The name or other information that is sufficient to</p>	<p>To comply with the amendments to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies that allow anonymous reporting, and after the investigation of the reporting incident is completed, appropriate follow-up actions</p>

Amended Provision	Before Amendment	Explanation
<p><u>reported anonymously.</u></p> <p>II. The name or other information that is sufficient to identify the violator.</p> <p>III. Specific evidence that can be used for investigation. The Company's personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. the Company also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing. The Company's dedicated unit handles the report in the following procedures:</p> <p>I. The information shall be reported to the department head if involving the rank and file and to an Audit Committee if involving a director or a senior executive.</p> <p>II. The responsible unit of the Company and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.</p> <p>III. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.</p> <p>IV. Documentation of case acceptance, investigation processes, and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case</p>	<p>identify the violator.</p> <p>III. Specific evidence that can be used for investigation.</p> <p>The Company personnel handling reporting matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. This Company also undertakes to protect whistleblowers from improper treatment due to their reporting. The responsible unit of this Company shall observe the following procedures:</p> <p>I. The information shall be reported to the department head if involving the rank and file and to an Audit Committee if involving a director or a senior executive.</p> <p>II. The responsible unit of the Company and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.</p> <p>III. If the person being informed on is confirmed to have indeed violated the applicable laws and regulations or this Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.</p> <p>IV. Documentation of case acceptance, investigation processes, and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the</p>	<p>shall be taken, the content of this article was amended.</p>

Amended Provision	Before Amendment	Explanation
<p>before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.</p> <p>V. If the reported violations have been verified, the Company's related units shall be instructed to discuss relevant internal control systems and operating procedures, and propose improvement measures to ensure that the same behavior is not repeated.</p> <p>VI. The Company's dedicated unit shall report the violations, measures, and follow-up discussions and improvement measures to the Board. If it is a major violation or the Company is in danger of major damage, the Company shall immediately make a report and notify the Audit Committee in writing</p>	<p>whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.</p> <p>V. If the reported violations have been verified, the Company's related units shall be instructed to discuss relevant internal control systems and operating procedures, and propose improvement measures to ensure that the same behavior is not repeated.</p> <p>VI. The Company's dedicated unit shall report the violations, measures, and follow-up discussions and improvement measures to the Board. If it is a major violation or the Company is in danger of major damage, the Company shall immediately make a report and notify the Audit Committee in writing</p>	

Yonggu Group Inc.
Comparison Table for ARTICLES OF ASSOCIATION

No.	Current Provisions	Proposed Amendments	Explanations
Art.2	<p>(1) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires:</p> <p>Applicable Listing Rules the relevant laws, regulations, rules and codes as amended, from time to time, applicable as a result of the original and continued trading or listing of any shares on any Taiwan stock exchange or securities market, including, without limitation the relevant provisions of the Securities and Exchange Act of the R.O.C., the Company Act of the R.O.C., the Act Governing Relations Between Peoples of the Taiwan Area and the Mainland Area, and any similar laws, statutes and the rules and regulations of the R.O.C. authorities thereunder, and the rules and regulations promulgated by the Financial Supervisory Commission, the TPEX and the TWSE (where applicable);</p>	<p>(1) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires:</p> <p>Applicable Listing Rules the relevant laws, regulations, rules and codes as amended, from time to time, applicable as a result of the original and continued trading or listing of any shares on any Taiwan stock exchange or securities market, including, without limitation the relevant provisions of the Securities and Exchange Act of the R.O.C., the Company Act of the R.O.C., <u>the Business Mergers And Acquisitions Act of the R.O.C.</u>, the Act Governing Relations Between Peoples of the Taiwan Area and the Mainland Area, and any similar laws, statutes and the rules and regulations of the R.O.C. authorities thereunder, and the rules and regulations promulgated by the Financial Supervisory Commission, the TPEX and the TWSE (where applicable);</p>	<p>To coincide with the stock exchange's announcement on December 25, 2019, No. 1080023568, on the second word on the Taiwan Stock Exchange, the "Inspection Form for the Protection of shareholders' Rights and Interests in the State of Registration of Foreign Issuers" (hereinafter referred to as "12 December 2019" The Notice of The Protection of Shareholders' Rights and Interests on May 2 55) clearly incorporates the relevant provisions of China's Corporate Mergers and Acquisitions Act, amends the scope of section 2 of the Listing (Cabinet) Code, and adjusts the reference to the "British Cayman Islands Companies Act" to meet the requirements of the British Cayman Islands Companies Registry.</p>

No.	Current Provisions		Proposed Amendments		Explanations
Art.2	Law	the Companies Law of the Cayman Islands and any amendment or other statutory modification thereof and every other act, order, regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum and/or these Articles, and where in these Articles any provision of the Law is referred to, the reference is to that provision as modified by any law for the time being in force;	Law	the Companies Law of the Cayman the Companies Law (<u>2020 Revision</u>) of or other statutory modification thereof and every other act, order, regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum and/or these Articles, and where in these Articles any provision of the Law is referred to, the reference is to that provision as modified by any law for the time being in force;	The Ministry of Economic Affairs, No. 10802432410, amends the definition of "statutory surplus reserve".
	Statutory Reserve	a reserve set aside in an amount equal to ten percent (10%) of <u>the annual profits of</u> the Company under the Applicable Listing Rules;	Statutory Reserve	a reserve set aside in an amount equal to ten percent (10%) of the <u>total amount of after-tax net profit for the period and other items adjusted to the then-current year's undistributed earnings other than after-tax net profit for the period as calculated by</u> the Company under the Applicable Listing Rules;	

No.	Current Provisions	Proposed Amendments	Explanations
Art.7	<p>(1)The Company shall issue Shares without printing share certificates, provided that the Register shall be conclusive evidence of the entitlement of a Person to Shares recorded against his/her/its name. During the Relevant Period, whenever the Company issues Shares, the Company shall deliver or cause the Shareholder Service Agent to deliver Shares by advising TDCC to record the number of Shares against the name of each subscriber within thirty (30) days from the date <u>such</u> Shares <u>may be delivered, pursuant to the Law</u>. The Company shall make a public announcement in accordance with the Applicable Listing Rules prior to the delivery of such Shares.</p>	<p>(1) The Company shall issue Shares without printing share certificates, provided that the Register shall be conclusive evidence of the entitlement of a Person to Shares recorded against his/her/its name. During the Relevant Period, whenever the Company issues Shares, the Company shall, <u>in compliance with the Law and the Applicable Listing Rules and subject to receipt of the subscription price from each subscriber</u>, deliver or cause the Shareholder Service Agent to deliver Shares by advising TDCC to record the number of Shares against the name of each subscriber within thirty (30) days from the date <u>the Board resolves to issue</u> Shares. The Company shall make a public announcement in accordance with the Applicable Listing Rules prior to the delivery of such Shares.</p> <p>(2) <u>When the total number of Shares in every issuance has been subscribed to in full, the Company shall immediately request each of the subscribers for payment. Where the Company issues Shares at a premium, the amount in excess of par value shall be collected at the same time with the payment for Shares. Where a subscriber delays payment for Shares as mentioned above, the Company shall prescribe a period of not less than one (1) month and call upon each subscriber to pay up, declaring that in case of default of payment within that prescribed period the subscriber's right shall be forfeited. After the Company have made the aforesaid call, the subscribers who fail to pay accordingly shall forfeit their rights and the Shares subscribed to by them shall be otherwise sold. Under such circumstances, the Company may hold the subscriber liable for compensating the damage, if any, resulting from such default in payment.</u></p>	<p>In conjunction with the review form on the protection of shareholders' rights and interests dated 25 December 2019, the deadline for the collection of shares issued in Article 7, paragraph 2, is updated, and the subsequent provisions are deferred in turn, and the provisions of article 1 and 4 (original article 3) of this Article are adjusted in words.</p>

No.	Current Provisions	Proposed Amendments	Explanations
Art.7	(3) The Company shall not issue any unpaid Shares or partial paid-up Shares to any Person.	(4) The Company shall not issue any unpaid Shares or partial paid-up Shares to any Person. <u>For the avoidance of doubt, a subscriber who fails to pay up the Shares pursuant to Paragraph (2) of this Article will not be considered a Member until the Shares to be subscribed are paid in full, and only if the Shares the subscriber subscribed have been paid in full may the subscriber's name be entered in the Register.</u>	
Art.8	(a) upon each issuance of new Shares <u>(other than resulting from or in connection with any Merger or Consolidation of the Company, Spin-off of the Company's business, any reorganisation of the Company, asset acquisition, share swap, exercise of share options or warrants granted to the Employees, conversion of convertible securities or debt instruments, exercise of subscription warrants or rights to acquire Shares vested with preferential or special rights, where the Company issues new Shares to the existing Members by capitalisation of its reserves in accordance with these Articles, Private Placement or other issuance of Shares for consideration other than cash)</u> , the Board may reserve not more than fifteen percent (15%) of the new Shares for subscription by the Employees pursuant to the Law and the Applicable Listing Rules; and	(a) upon each issuance of new Shares, the Board may reserve not more than fifteen percent (15%) of the new Shares for subscription by the Employees pursuant to the Law and the Applicable Listing Rules; and	To be in line with the amendment to Article 10, the provisions of article 8, paragraph a, are adjusted at their discretion.

No.	Current Provisions	Proposed Amendments	Explanations
Art.10	<p>The preceding Article shall not apply whenever the new Shares are issued <u>for</u> the following <u>purpose</u>:</p> <p>(a) in connection with a Merger or a Consolidation of the Company or a Spin-off of the Company's business, or pursuant to any reorganisation of the Company;</p> <p>(b) in connection with meeting the Company's obligation under Share subscription warrants and/or options granted to the Employees;</p> <p>(c) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to acquire Shares;</p> <p>(d) in connection with meeting the Company's obligation under share subscription warrant or Preferred Shares vested with rights to acquire Shares;</p> <p>(e) <u>in connection with any share swap arrangement entered into by the Company, or</u></p> <p>(f) <u>in connection with any Private Placement conducted pursuant to Article 13; or</u></p> <p>(g) <u>in connection with any other event otherwise prohibited, limited, restricted or exempted to so apply pursuant to the Law and/or the Applicable Listing Rules.</u></p>	<p>(1) Subparagraph (a) of Article 8 and Article 9 shall not apply whenever the new Shares are issued <u>due to</u> the following <u>reasons</u>:</p> <p>(a) in connection with a Merger or a Consolidation of the Company or a Spin-off of the Company's business, or pursuant to any reorganisation of the Company <u>save as otherwise provided by these Articles</u>;</p> <p>(b) in connection with meeting the Company's obligation under Share subscription warrants and/or options granted to the Employees;</p> <p>(c) in connection with distribution of the Employees' compensation;</p> <p>(d) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to acquire Shares;</p> <p>(e) in connection with meeting the Company's obligation under share subscription warrant or Preferred Shares vested with rights to acquire Shares; <u>or</u></p> <p>(f) in connection with issuance of new Shares to the existing Members by capitalisation of the Company's reserves in accordance with these Articles.</p> <p>(2) Article 8 and Article 9 shall not apply to any of the following circumstances:</p> <p>(a) the Company, as the surviving company, issue new Shares for a Merger, or the Company issues new shares for the Merger between its subsidiary and other companies;</p>	<p>In line with the inspection form on the protection of shareholders' rights and interests on December 25, 2019, the provisions of Article 10, Items 2 and 3, are updated, and article 10 of the original article is amended in accordance with the provisions of Taiwan's Company Law, item 10, paragraph 1.</p>

No.	Current Provisions	Proposed Amendments	Explanations
Art.10		<p><u>(b)all new Shares are issued as consideration for being acquired by the other company with the intention of takeover;</u></p> <p><u>(c)all new Shares are issued as consideration for the acquisition of issued shares, business, or assets of other companies;</u></p> <p><u>(d)new Shares are issued for the share exchange entered into by the Company, new Shares are issued for a Spin-off effected by the transferor company; new Shares are issued in connection with any Private Placement conducted pursuant to Article 13; or</u></p> <p><u>(g)new Shares are issued in connection with any other event otherwise prohibited, limited, restricted or exempted to so apply pursuant to the Law and/or the Applicable Listing Rules.</u></p> <p><u>(3) New Shares issued for any of the circumstances in the preceding Paragraph may be paid up in cash or assets as required for the business of the Company.</u></p>	
Art.36	<p>The following matters shall not be considered, discussed or proposed for approval at a general meeting unless they are specified in the notice of general meeting with the description of their major contents; the major contents may be posted on the website designated by the R.O.C. competent authorities or the Company, and such website shall be indicated in the notice:</p> <p>(e) any dissolution, voluntary winding-up, Merger, share <u>swap</u>, Consolidation or Spin-off of the Company;</p>	<p>The following matters shall not be considered, discussed or proposed for approval at a general meeting unless they are specified in the notice of general meeting with the description of their major contents; the major contents may be posted on the website designated by the R.O.C. competent authorities or the Company, and such website shall be indicated in the notice:</p> <p>(e) any dissolution, voluntary winding-up, Merger, share <u>exchange</u>, Consolidation or Spin-off of the Company;</p>	<p>To adjust the wording of the provision sly in order to dub the doubt.</p>

No.	Current Provisions	Proposed Amendments	Explanations
Art.40	<p>(4)The Board shall include a proposal submitted by Member(s) unless:</p> <p>(b)the number of Shares held by the proposing Member(s) is less than one percent (1%) of the total issued Shares in the Register upon commencement of the <u>period in which the Register is closed for transfers</u> before the relevant annual general meeting of the Company;</p>	<p>(4)The Board shall include a proposal submitted by Member(s) unless:</p> <p>(b)the number of Shares held by the proposing Member(s) is less than one percent (1%) of the total issued Shares in the Register upon commencement of the <u>Book Closure Period</u> before the relevant annual general meeting of the Company;</p>	<p>In accordance with the definition of "the closing period of stock suspension" in accordance with article 28, paragraph 2, the text adjustmentist to bring the wording into line.</p>
Art.46	<p>(1) Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution:</p> <p>Notwithstanding anything contained in these Articles, unless otherwise provided by the Law and the Applicable Listing Rules, in case the Company is dissolved after participating in the merger/consolidation or the Company is delisted from the TPEX or TWSE due to the general transfer (or the assignment of all rights and delegation of all duties of the Company), the transfer of business or assets of the Company, any share <u>swap arrangement</u> or any Spin-off entered into or carried out by the Company while the surviving, transferee, existing or newly incorporated company is not a listed company (including TWSE/TPEX listed company), any such action aforementioned shall be approved by the affirmative vote of at least two-thirds (2/3) of the total votes cast by the Members of the Company.</p>	<p>(1) Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution:</p> <p><u>(f) enter into any share exchange;</u></p> <p>Notwithstanding anything contained in these Articles, unless otherwise provided by the Law and the Applicable Listing Rules, in case the Company is dissolved after participating in the merger/consolidation or the Company is delisted from the TPEX or TWSE due to the general transfer (or the assignment of all rights and delegation of all duties of the Company), the transfer of business or assets of the Company, any share <u>exchange</u> or any Spin-off entered into or carried out by the Company while the surviving, transferee, existing or newly incorporated company is not a listed company (including TWSE/TPEX listed company), any such action aforementioned shall be approved by the affirmative vote of at least two-thirds (2/3) of the total votes cast by the Members of the Company.</p>	<p>In conjunction with the review form on the protection of shareholders' rights and interests dated 25 December 2019, article 46, paragraph 1 (f), is updated, the subsequent paragraphs are deferred in turn, and the text-amended article 46, paragraph 2, is amended.</p>

No.	Current Provisions	Proposed Amendments	Explanations
Art.48	<p>(2) Subject to the compliance with the Law, in the event <u>any part of the Company's business is involved in</u> any Spin-Off, <u>Merger or Consolidation, a Member, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing or orally with an entry to that effect in the minutes of the meeting before the relevant vote,</u> may request the Company to purchase all of his Shares at the then prevailing fair price.</p> <p>(3) Without prejudice to the Law, in the event the Company and a Member making a request pursuant to Paragraphs <u>(1) or (2)</u> of this Article fail to reach an agreement on <u>the</u> purchase price within sixty (60) days following the date of the resolution, the <u>Member may,</u> within thirty period, file a petition <u>to</u> the R.O.C. Courts for a ruling on the appraisal price. <u>However, for the purpose of protecting rihts of the dissenting Member, the Company may elect to act in accordance with the laws of place where the securities of the Company are registered or listed.</u></p>	<p>(2) <u>Subject</u> to the compliance with the Law, in the event <u>that</u> the <u>Company resolves to carry out</u> any Spin-Off, Consolidation, <u>Merger, acquisition or share exchange (collectively, the "Merger and Acquisition")</u>, a Member <u>expressing his dissent in accordance with the Applicable Listing Rules</u> may request the Company to purchase all of his Shares at the then prevailing fair price.</p> <p>(3) Without prejudice to the Law, in the event the Company and a Member making a request pursuant to Paragraphs (2) of this Article fail to reach an <u>agreement</u> on the purchase price within sixty (60) days following the date of the resolution, the <u>Company shall,</u> within thirty (30) days after such sixty (60) days period, file a petition <u>against all Members who fail to reach such an agreement (collectively, the "Dissenting Members")</u> with the R.O.C. Courts for a ruling on the appraisal price, <u>and may designate Taiwan Taipei District Court of the R.O.C. as the court of first instance.</u></p> <p><u>(4) Without prejudice to the Law, a Member making a request pursuant to Paragraphs (1) or (2) of this Article shall make such request in writing within twenty (20) days after the date of the general meeting adopting resolutions with respect to the matter(s) as set out in Subparagraph (a), (b) or (c) of Paragraph (1) of Article 46 or the Merger and Acquisition, and specify the repurchase price. If the Member and the Company reach an agreement on the repurchase price, the Company shall pay for the Shares to be repurchased within ninety (90) days after the date of the general meeting adopting such resolutions. In case no agreement is reached, the Company shall pay the fair repurchase price determined at its discretion to the Dissenting Members with whom the Company fail to reach an agreement within ninety (90) days after the date of the general meeting adopting such resolutions. If the Company fails to pay the price, it shall be considered to have accepted the repurchase price proposed by such Dissenting Members.</u></p> <p><u>(5) Notwithstanding Paragraphs (2), (3) and (4) of this Article, nothing under this Article shall restrict or prohibit a Member from exercising his right under section 238 of the Companies Law (2020 Revision) of the Cayman Islands and any amendment or other statutory modification thereof to payment of the fair value of his shares upon dissenting from a Consolidation or Merger.</u></p>	<p>In line with the review form on the protection of shareholders' rights and interests on 25 December 2019, Article 48, items 2 and 3 are amended and Article 48, 44 has been added. In addition, in conjunction with this amendment, the Corporation Law of the Company of the State of the Company of the Cayman Islands, shall be amended to include article 48, paragraph 5, which clearly stipulates that the right of the shareholders to buy the shares of the dissenting shareholders under the Law of the British Cayman Islands Companies Act shall not be subject to the restrictions or prohibitions of this provision in order to protect the rights and interests of shareholders.</p>

No.	Current Provisions	Proposed Amendments	Explanations
Art.73	(1) Without prejudice to the duties owed by a Director to the Company under common law of the Cayman Islands and subject to the Law, the Directors shall assume fiduciary duties to the Company and without limitation, the due care of a good administrator, and exercise due care and skill in conducting the business operation of the Company. A Director may be liable to the Company if he acts contrary to his duties. In circumstances where a Director breaches any of such duties and acts for his/her or other Person's interest, the Company may, with the sanction of an Ordinary Resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover any and all earnings derived from such act as if such misconduct is done for the benefit of the Company.	(1) Without prejudice to the duties owed by a Director to the Company under common law of the Cayman Islands and subject to the Law, the Directors shall assume fiduciary duties to the Company and without limitation, the due care of a good administrator, exercise due care and skill and act in the best interest of the Company in conducting the business operation of the Company, <u>including matters in connection with Spin-off, Consolidation, Merger, or acquisition of the Company.</u> A Director may be liable to the Company if he acts contrary to his duties. In circumstances where a Director breaches any of such duties and acts for his/her or other Person's interest, the Company may, with the sanction of an Ordinary Resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover any and all earnings derived from such act as if such misconduct is done for the benefit of the Company.	In line with the review form on the protection of shareholders' rights and interests on 25 December 2019, Article 73, paragraph 1, is amended.
Art.79	Add the second item.	<u>(2)If the Board fails to comply with the Applicable Listing Rules, these Articles and any resolutions passed in a general meeting in dealing with matters in connection with Spin-off, Consolidation, Merger, or acquisition of the Company, as a result of which the Company suffers damages, any Director involved in decision-making related thereto shall be liable to the Company in respect of the damages suffered by the Company. However, a Director may be exempted from the liability if the minutes of the Board meeting or written statement demonstrates such Director's dissent.</u>	In conjunction with the review form on the protection of shareholders' rights and interests on 25 December 2019, Article 79, paragraph 2, has been added. The contents of the original article 79 are divided into front and back paragraphs, and the front and back paragraphs are adjusted to article 79, paragraph1 and article 3, respectively.

No.	Current Provisions	Proposed Amendments	Explanations
Art.82.3	Added.	<p><u>(1) During the Relevant Period, prior to any resolution of the Merger and Acquisition by the Board, the audit committee of the Company shall review the fairness and reasonableness of the plan and transaction of the Merger and Acquisition, and then submit review results to the Board and the general meeting of the Company. However, the audit committee of the Company may elect not to submit the aforesaid review results to the Members at a general meeting if the Law provides that the Merger and Acquisition to be resolved requires no approval by the Members.</u></p> <p><u>(2) When reviewing the abovementioned matters, the audit committee of the Company shall seek opinions from an independent expert on the reasonableness of the share exchange ratio or the distribution of cash or other assets.</u></p> <p><u>(3) The Company shall send the review results of the audit committee of the Company and opinions of independent experts to all Members together with the notice of general meeting in which the Merger and Acquisition is to be resolved. However, the Company shall report the Merger and Acquisition to the Members at the most recent general meeting if the Law provides that the Merger and Acquisition to be resolved requires no approval by the Members.</u></p> <p><u>(4) If the Company posted the aforesaid review results and opinions of independent experts on a website designated by the R.O.C. competent authorities and arranged for the same documents to be made available at the venue of the general meeting of the Company for inspection by Members, those documents shall be deemed as having been sent to all Members.</u></p>	In line with the Review Form on the Protection of Shareholders' Rights and Interests on 25 December 2019, Article 82.3 has been added.

No.	Current Provisions	Proposed Amendments	Explanations
Art.83	<p>(1) During the Relevant Period, a person who is under any of the following circumstances shall not act as a Director of the Company; if he has already held office of a Director, he shall cease to act as a Director and be removed from the position of Director automatically:</p> <p>(a) commits a felony (including but not limiting to an offence under Statute for Prevention of Organizational Crimes of the R.O.C.) and has been convicted thereof, and has not started serving the sentence, has not completed serving the sentence, or the time elapsed after completion of serving the sentence, expiration of the probation, or pardon is less than five (5) years;</p> <p>(b) has been imposed a final sentence involving imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and has not started serving the sentence, has not completed serving the sentence, or the time elapsed after completion of serving the sentence, expiration of the probation, or pardon is less than two (2) years;</p> <p>(c) has been imposed a final sentence due to violation of the Anti-corruption Act, and has not started serving the sentence, has not completed serving the sentence, or the time elapsed after completion of serving the sentence, expiration of the probation, or pardon is less than two (2) years;</p>	<p>(1) During the Relevant Period, a person who is under any of the following circumstances shall not act as a Director of the Company; if he has already held office of a Director, he shall cease to act as a Director and be removed from the position of Director automatically:</p> <p>(a) commits a felony (including but not limiting to an offence under Statute for Prevention of Organizational Crimes of the R.O.C.) and has been convicted thereof, and either (i) he has not started serving the sentence (ii) he has not completed serving the sentence, or (iii) the time elapsed after completion of serving the sentence, expiration of the probation, or pardon is less than five (5) years;</p> <p>(b) has been imposed a final sentence involving imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and either (i) he has not started serving the sentence (ii) he has not completed serving the sentence, or (iii) the time elapsed after completion of serving the sentence, expiration of the probation, or pardon is less than two (2) years;</p> <p>(c) has been imposed a final sentence due to violation of the Anti-corruption Act, and either (i) he has not started serving the sentence, (ii) he has not completed serving the sentence, or (iii) the time elapsed after completion of serving the sentence, expiration of the probation, or pardon is less than two (2) years;</p>	<p>To adjust the wording of the provision sly in order to dub the doubt.</p>

No.	Current Provisions	Proposed Amendments	Explanations
Art.85	In case a Director has, in the course of performing his/her/its duties, committed any act resulting in material damage to the Company or in serious violation of the Law, the Applicable Listing Rules or these Articles, but has not been removed from office by a resolution in a general meeting, one or more Members holding three percent (3%) or more of the total number of issued Shares of the Company may, within thirty (30) days after that general meeting, submit a petition to <u>a competent court, including</u> the Taiwan Taipei District Court of the R.O.C. but only if and to the extent permitted under the Law and the Applicable Listing Rules, for removing such Director from office.	In case a Director has, in the course of performing his/her/its duties, committed any act resulting in material damage to the Company or in serious violation of the Law, the Applicable Listing Rules or these Articles, but has not been removed from office by a resolution in a general meeting, one or more Members holding three percent (3%) or more of the total number of issued Shares of the Company may, within thirty (30) days after that general meeting, submit a petition to the Taiwan Taipei District Court of the R.O.C. <u>or a competent court,</u> but only if and to the extent permitted under the Law and the Applicable Listing Rules, for removing such Director from office.	To adjust the wording of the provision sly in order to dub the doubt.
Art.86	Subject to the Law, one or more Members holding one percent (1%) or more of the total number of the <u>outstanding</u> Shares continuously for a period of six months or a longer time may request in writing any Independent Director of the <u>Audit Committee</u> to file, on behalf of the Company, an action against a Director who has, in the course of performing his/her duties, committed any act resulting in damage to the Company or in violation of the Law, the Applicable Listing Rules or these Articles, with a competent court, including the Taiwan Taipei District Court of the R.O.C. In case the Independent Director fails to file such action within thirty (30) days after receipt of such request, to the extent permitted under the laws of the Cayman Islands, the Members making such request may file the action for the Company.	Subject to the Law, one or more Members holding one percent (1%) or more of the total number of the <u>issued</u> Shares continuously for a period of six months or a longer time may request in writing any Independent Director of the <u>audit committee</u> to file, on behalf of the Company, an action against a Director who has, in the course of performing his/her duties, committed any act resulting in damage to the Company or in violation of the Law, the Applicable Listing Rules or these Articles, with the Taiwan Taipei District Court of the R.O.C. or a competent court. In case the Independent Director fails to file such action within thirty (30) days after receipt of such request, to the extent permitted under the laws of the Cayman Islands, the Members making such request may file the action for the Company.	To adjust the wording of the provision sly in order to dub the doubt.

No.	Current Provisions	Proposed Amendments	Explanations
Art.91	A Director who is in any way, whether directly or indirectly, interested in a matter discussed, considered or proposed in a meeting of the Board shall declare the nature of his interest and its essential contents at such relevant meeting. Where the spouse, a blood relative within the second degree of kinship of a Director as defined under the Civil Code of Taiwan, or any company which has a controlling or subordinate relation with a Director bear any interest in the matter under discussion at a Board meeting, such Director shall be deemed to bear a personal interest in the matter. Any Director who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a meeting of Board shall abstain from voting, on his own behalf or as a proxy or corporate representative, with respect to the said matter. Any and all votes cast by such Director(s) shall not be counted in determining the number of votes for or against such matter.	A Director who is in any way, whether directly or indirectly, interested in a matter discussed, considered or proposed in a meeting of the Board shall declare the nature of his interest and its essential contents at such relevant meeting. <u>When the Company conducts any Spin-Off, Consolidation, Merger, or acquisition, a Director who bears any interest in the transaction shall explain the essential contents of such personal interest and the reason of approval or disapproval of the resolution in connection with the transaction in a meeting of the Board and the general meeting of the Company. Where the spouse, a blood relative within the second degree of kinship of a Director as defined under the Civil Code of Taiwan, or any company which has a controlling or subordinate relation with a Director bear any interest in the matter under discussion at a Board meeting, such Director shall be deemed to bear a personal interest in the matter. Any Director who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a meeting of Board shall abstain from voting, on his own behalf or as a proxy or corporate representative, with respect to the said matter. Any and all votes cast by such Director(s) shall not be counted in determining the number of votes for or against such matter.</u>	Article 91 is amended in conjunction with the Review Form on the Protection of Shareholders' Rights and Interests on December 25, 2019.
Art.103	Add the second item.	<u>(2) If the Company keeps its accounting records and books of account at any place outside the Cayman Islands in accordance with the preceding paragraph, it shall, upon service of an order or notice pursuant to the Tax Information Authority Law and any amendment or other statutory modification thereof, make available, in electronic form or any other medium at its Registered Office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.</u>	To tie in with the 2019 amendment to the British Cayman Islands Companies Act, article 103, paragraph 2, is added.

No.	Current Provisions	Proposed Amendments	Explanations
Art.111	<p>Subject to the Law, if the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Law, divide amongst the Members <u>in specie or kind</u> the whole or any part of the <u>assets</u> of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different Classes. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any asset whereon there is any liability.</p>	<p>Subject to the Law, if the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Law, divide <u>and distribute</u> amongst the Members the whole or any part of the <u>property</u> of the Company (whether they shall consist of property of the same kind or not) <u>in cash or asset</u> and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different Classes. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any asset whereon there is any liability.</p>	<p>To adjust the wording of the provision sly in order to dub the doubt.</p>

Yonggu Group Inc
Rules of Procedures for Shareholders' Meetings
For Endorsements and Guarantees

Amended Provision	Before Amendment	Explanation
<p>Article 3 (Convention and Notice of Annual Meeting of Shareholders) Paragraph 1: Omitted. The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an ordinary shareholders' meeting or before 15 days before the date of a extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the ordinary shareholders' meeting or 15 days before the date of the extraordinary shareholders' meeting. 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.</p>	<p>Article 3 (Convention and Notice of Annual Meeting of Shareholders) Paragraph 1: Omitted. During the listing period (the definition is as detailed in the Company's Articles of Association; same as below), the Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of the ordinary shareholders' meeting or 15 days before the date of the extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the ordinary shareholders' meeting or 15 days before the date of the extraordinary shareholders' meeting. 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place. During the non-listing period, a notice to convene a shareholders' meeting shall be given to each shareholder no later than 5 days prior to the scheduled meeting date.</p>	<p>To be in line with Company's listing progress, the relevant text was amended and the non-listing period requirements was deleted.</p>

Amended Provision	Before Amendment	Explanation
<p>The causes or subjects of a shareholders' meeting to be convened shall be indicated in the individual notice and the public notice; and the notice may be given by electronic transmission, after obtaining a prior consent from the recipients.</p> <p>Election or dismissal of Directors (including Independent Directors), amendments to the Articles of Incorporation, capital reduction, application to be delisted from public offering, lifting of non-competition restriction of Directors, capital increase by retained earnings, capital increase by capital reserve, dissolution, merger, or demerger of the corporation, or any matter under Paragraph 1 of Article 185 of the Company Act shall be set out in the notice of the reasons for convening the Shareholders' Meeting. None of the above matters may be raised by an extraordinary motion. The content of such matters shall be uploaded to a website designated by the competent authority or the Company, and the website shall be specified on the meeting notice.</p> <p>The reasons for convening a shareholders' meeting have indicated the comprehensive re-election of Directors (including Independent Directors), and stated the date of appointment. After the re-election is completed at the shareholders' meeting, the appointment date shall not be changed by an extraordinary motion or other methods at the same meeting.</p> <p>A shareholder holding 1% or more of the total number of issued shares may submit to the Company a written or electronic proposal for discussion at an ordinary</p>	<p>The notice and public announcement shall indicate the reasons for convening the meeting. The notice, if agreed by counterparties, may be delivered by electronic means.</p> <p>Matters pertaining to election or dismissal of Directors (Including Independent Directors), alteration of the Articles of Association, reduction of capital, cancellation of repurchased shares as set forth in Paragraph 1, Article 24 of the Company's Articles of Incorporation, application for the approval of ceasing its status as a public company, the dissolution, merger, or demerger of the corporation, or any matter as set forth in Paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" shall be itemized in the cause, shall be explained in the notice to convene a shareholders' meeting, and shall not be raised as extemporary motions. These essential contents shall be posted on the website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice.</p> <p>During the listing period, a shareholder holding 1% or more of the total number of issued shares may submit to the Company a written or electronic proposal for discussion at an ordinary shareholders' meeting. Such proposals, however, are limited to</p>	<p>Amendments are made in accordance with Paragraph 5 of Article 172 of the Company Act.</p> <p>Addition are made in accordance with the Ministry of Economic Affairs Official Letter No. Shang—10702417500 issued on August 6, 2018.</p> <p>In line with the Company's listing progress and the text semantics, relevant</p>

Amended Provision	Before Amendment	Explanation
<p>shareholders' meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, if the proposed shareholders' resolution is to urge the Company to promote public interest or fulfill its social responsibilities, the Board of Directors shall include it in the agenda. In addition, when the circumstances of any Subparagraph of Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.</p> <p>Prior to the book closure date before a General Shareholders' Meeting is held, the Company shall publicly announce that it will receive shareholder proposals, written or electronic submission, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Paragraph 8 and paragraph 9: Omitted.</p>	<p>one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, except the circumstances of any Subparagraph of Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may include it in the agenda. A shareholder proposal proposed for urging the Company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at an ordinary shareholders' meeting by the Board of Directors despite the circumstances stipulated in Paragraph 4 of Article 172-1 of the Taiwan Company Act.</p> <p>During listing period, prior to the book closure date before an annual general meeting is held, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for acceptance of shareholder proposals may not be less than 10 days. Paragraph 7 and paragraph 8: Omitted.</p>	<p>text was amended.</p> <p>Item order amendment only.</p>
<p>Article 10: (Meeting Agenda)</p> <p>If a shareholders' meeting is convened by the Board of Director, the agenda shall be determined by the Board of Directors. The relevant proposals (including motions and amendment to original proposals) shall be decided by voting on a case-by-case basis. The meeting shall be convened according to the scheduled agenda. The agenda shall not be altered without a resolution adopted at the shareholders' meeting.</p> <p>Paragraph 2 and paragraph 3: Omitted.</p> <p>The Chairman shall give the opportunity to fully explain and</p>	<p>Article 10: (Meeting Agenda)</p> <p>If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.</p> <p>Paragraph 2 and paragraph 3: Omitted.</p> <p>The Chairman shall allow ample opportunity during the meeting</p>	<p>In line with the rule that all listed companies on TWSE and TPEx must fully adopt electronic voting since 2018, and to implement the spirit of case-by-case voting, the provisions have thus been amended.</p> <p>In order to prevent the</p>

Amended Provision	Before Amendment	Explanation
discuss the proposals, as well as the amendments or motions proposed by the shareholders. When the Chairman is of the opinion that a proposal has been sufficiently discussed to a degree of putting to a vote, the Chairman may announce the discussion closed and bring the proposal to vote. The Chairman shall also allocate sufficient time for voting.	for explanation and discussion of the proposals and of the amendments or extraordinary motions put forward by the shareholders; when the Chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the Chairman may announce the closure of the discussion and call for the vote.	convener of the shareholders' meeting from excessively reducing shareholders' voting time, resulting in a situation where shareholders have no time to vote and their exercise of voting rights is affected, the provisions have thus been amended.
<p>Paragraph 1 of Article 13: Omitted.</p> <p>When the Company convenes a shareholders' meeting, shareholders shall exercise their voting rights by electronic means and may exercise their voting rights in writing. The method for exercising voting rights in writing or by electronic means shall be indicated in the notice of shareholders' meeting. Except as otherwise specified in the Company's Articles of Association, a shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.</p> <p>Paragraph 3 and Paragraph 4: Omitted.</p> <p>Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the adoption of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At</p>	<p>Paragraph 1 of Article 13: Omitted.</p> <p>When the Company convenes a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. Except as otherwise specified in the Company's Articles of Association, a shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.</p> <p>Paragraph 3 and Paragraph 4: Omitted.</p> <p>Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the adoption of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote,</p>	In line with the Company's listing progress, relevant text was amended.

Amended Provision	Before Amendment	Explanation
the time of a vote, for each proposal, the Chairman or a person designated by the Chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. During the listing period, after the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS. Paragraph 6 to 8: Omitted.	for each proposal, the Chairman or a person designated by the Chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. During the listing period, after the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS. Paragraph 6 to 8: Omitted.	
Paragraph 1 of Article 15: Omitted. The distribution of the meeting minutes as described in the preceding paragraph can be done through a public announcement on the Market Observation Post System. The meeting minutes shall record the date and place of the meeting, the name of the Chairman, the method of adopting resolutions, a summary of the essential points of the proceedings, and the results of the meeting. Where there is a Director election (including Independent Director), the number of votes for each candidate shall be disclosed in the meeting minutes. During the existence of the Company, it should be kept permanently.	Article 15: Paragraph 1 is Omitted. During listing period, the distribution of the meeting minutes as described in the preceding paragraph can be done through a public announcement on the Market Observation Post System. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the entire duration of the existence of the Company.	In line with the Company's listing progress, the relevant text was amended; To implement the recommendations of the Asian Corporate Governance Association and in line with the competent authority, the relevant text was amended.
Article 16: (Public disclose) Paragraph 1 is Omitted. If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.	Article 16: (Public disclose) Paragraph 1 is Omitted. During the listing period, if matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.	In line with the Company's listing progress, relevant text was amended.

Chapter 4 Appendix

Yonggu Group Inc

Ethical Corporate Management Principles

Enacted on February 23, 2018

Revised on June 27, 2019

Article 1

The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency. In order to fully implement a policy of ethical management and actively prevent unethical conduct, the Procedures for Ethical Corporate Management and Guidelines for Conduct (hereinafter referred to as "Procedures and Guidelines") are formulated in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and applicable laws and regulations in places where the Company and its business groups and organizations operate, with a view to providing all personnel of the Company with clear directions for the performance of their duties.

These Principles are applicable to business groups and organizations of the Company, which comprise its subsidiaries, any foundation to which the Company's direct or indirect contribution of funds exceeds 50 percent of the total funds received, and other institutions or juridical persons which are substantially controlled by the Company.

Article 1-1

The Company shall request their Directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

The Company and business group shall clearly specify in their rules and external documents the ethical corporate management policies and the commitment by the Board of Directors and the management for rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.

The Company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain the said information properly.

Article 2

Company personnel in the Procedures and Guidelines refer to directors, managers, employees, or persons with substantial control in the Company or its subsidiaries (hereinafter referred to as "substantial controllers").

The Company's personnel, through the third party, directly or indirectly offer, promise to offer, request or accept any improper benefits will be presumed to be a conduct by the personnel of the Company.

"Benefits" in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 2-1

When engaging in commercial activities, the Corporation's personnel shall not directly or indirectly offer, promise to offer, request, or accept any improper benefits, or commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managerial officers, employees or substantial controllers or other stakeholders.

Article 2-2

The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management. Prior to any commercial transactions, the Company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

When entering into contracts with its agents, suppliers, clients, or other trading counterparties, the Company shall include in such contracts terms requiring compliance with ethical corporate management policy. In the event that the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.

The Company staff may not, directly or indirectly, provide, promise, demand, or accept any form of improper benefits from or to customers, agents, contractors, suppliers, public servants, or other stakeholders when conducting business.

When the Company staff provide direct or indirect contributions to political parties or political activities (including organizations and individuals), the Company and its employees shall make certain to comply with the Political Donation Act and Company rules. Neither the Company nor its employees shall use such actions to gain business interest or transaction advantages.

When making or offering donations and sponsorship, the Company's Personnel shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

The Company's Personnel shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

The Company staff shall abide by the relevant regulations of intellectual property, the Company's internal operating procedures, and contractual provisions. Intellectual property shall not be used, disclosed, disposed of, damaged, or otherwise infringed without the consent of the owner of the intellectual property rights.

The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

The Company and the Company staff's research and development, procurement, supply or sales of goods and services comply with relevant laws and regulations and international standards to ensure the transparency and security of information on goods and services, formulates and discloses consumer and other stakeholders' rights and protection policies, and implements in operational activities to prevent the goods or services directly or indirectly harm the interests of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.

Article 3

The Company appoints the Integrity Management Promotion Group as the dedicated unit (hereinafter referred to as the "dedicated unit") to handle amendment, implementation, interpretation, and consultation regarding this code. The dedicated unit shall also log the report content into file records and supervise implementation. Its duties mainly include the following items and it shall make regular reports to the Board (at least once a year):

- I. Assist in incorporating moral and ethical values into the Company's operating strategy. Set preventive measures to ensure ethical management in compliance with the laws and regulations.
- II. Regularly analyzing and evaluating the risk of unethical conduct with respect to the Company's operations and business, and adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines.
- III. Plan internal organization, structure, and allocation of responsibilities. Set up mutual supervision and checks-and-balance mechanisms for operating activities within the business scope that are at high risk of unethical conduct.
- IV. Promote and coordinate awareness and educational activities with respect to ethical policy.
- V. Develop a whistle-blowing system and ensure effective implementation.
- VI. Assist the board and management team in auditing and assessing whether preventive measures for implementing ethical management are operating effectively and preparing reports on regular assessment of compliance with ethical management in operating procedures.

Article 3-1

The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

The internal audit unit of the Company shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

The results of the audit in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit. An audit report shall be consolidated to be submitted to the Board of Directors.

Article 4

Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 2, the conduct of the given personnel of the Company shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

- I. Based on business needs, local courtesies, customs, and habits should be followed during domestic/foreign visits, guest-hosting, and promoting business and communication.
- II. Normal social events attended or held and inviting others based on social etiquette, business purposes, or improving relationships.
- III. Inviting guests or being invited to participate in specific business activities or factory tours due to business needs. Fees and payment methods for such activities shall be clearly stated before the event, including the number of participants, level of accommodation, and duration, etc.
- IV. Attendance at folk festivals that are openly-held and invite the attendance of the general public.
- V. Rewards, emergency assistance, condolence payments, or honorariums of the management.
- VI. Money, property, or other benefits with a market value of NT\$6,000 or less offered to or accepted from a person other than relatives or friends; or gifts of property with a total market value of NT\$6,000 or less given by another party to the majority of personnel of the Company, provided that the total market value of the property offered to the same counterparty or coming from the same source within a single fiscal year shall be limited to NT\$6,000.
- VII. Property with a market value of NT\$6,000 or less received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or injury, illness, or death to the recipient or the recipient's spouse or lineal relative.
- VIII. Other conduct that complies with the rules of the Company.

Article 5

Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 2 by a third party, the matter shall be handled in accordance with the following procedures:

- I. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
- II. If a relationship of interest exists between the party providing or offering the benefit and the

official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

A relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

- I. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
- II. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
- III. Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

This Company's dedicated unit shall view the nature and value of the first item interest and propose a return, payment, turn to public ownership, give to charity organization, or make other appropriate recommendations. The recommendation shall be implemented after reporting to the president and getting approval.

Article 6

When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, independent directors, managers, and other stakeholders attending or present at board meetings of a TWSE/GTSM listed company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

If the Company's personnel discover that they themselves or parties they represent have a conflict of interest while implementing company business, or if they themselves, their spouse, parents, offspring, or other stakeholders obtain improper interests, the situation shall be reported to their direct supervisors and the Company's dedicated unit. Direct supervisors shall provide appropriate guidance.

No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.

Article 7

The Company shall set up a special unit charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of the Company's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical

reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

The Company staff shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Company of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of the Company unrelated to their individual duties.

Article 8

Political contributions by the Company shall be made in accordance with the following provisions, reported to the supervisor in charge for approval, and notification shall be given to the responsible unit, if the amount is more than NT\$5 million, it shall be made only after being reported to and approved by the Board of Directors:

- I. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.
- II. A written record of the decision is made.
- III. Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.
- IV. In making political contributions, commercial dealings, applications for permits, or carrying out other matters involving the interests of the Company with the related government agencies shall be avoided.

Article 8-1

The Company provides charitable donations or sponsorships, which shall be handled in accordance with the following provisions, reported to the supervisor in charge for approval, and notification shall be given to the responsible unit, if the amount is more than NT\$5 million, it shall be made only after being reported to and approved by the Board of Directors:

- I. The donation shall comply with the local laws of the operating site.
- II. A written record of the decision is made.
- III. Charitable donations must be made for charity organizations instead of as a disguised bribe.
- IV. Considering what can be gained in exchange for sponsorship must be clearly defined and reasonable, the recipient of sponsorship cannot be a business partner or person with interests in the Company.
- V. After the donation or sponsorship has been granted, it must be confirmed that the funds are used in accordance with the intended purpose.

Article 9

The Company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of the Company to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement,

manufacture, provision, or sale of products and services.

The Company shall set policies that protect the rights and interests of consumers and other stakeholders and publish the policy on the Company website. The goal is to prevent products or services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.

Where there are media reports or sufficient facts to determine that the Company's products or services are likely to pose a hazard to the safety and health of consumers or other stakeholders, the Company shall, by principle, recall those products or suspend the services within 3 days, verify the facts, and present a review and improvement plan immediately.

The responsible unit of the Company shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the Board of Directors.

Article 10

All Company personnel shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

Other agencies or personnel that participate in the Company's mergers, divisions, acquisitions, share transfers, important memoranda, strategic alliances, and other business cooperation plans or important contracts shall sign a confidentiality agreement with the Company. The signatory shall promise not to disclose the Company's trade secrets or other important information that they are aware of to others. The aforementioned information shall not be used without the Company's approval.

Article 11

Before the Company establishes a business relationship with others, it shall first assess the legality and honest management policy of the agent(s), supplier(s), customer(s), or other business dealing subjects. The Company shall first determine whether these subjects have been involved in dishonest behavior to ensure that they operate in a fair manner, have information transparency, and will not request, provide, or accept bribes.

When the Company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

- I. The nation, operating location, organization structure, management policy, and payment location of the Company.
- II. Whether that company has established ethical management policy and its implementation status.
- III. Whether the country that a company operates in carries high corruption risk.
- IV. Whether the business that a company engages in carries a high risk of bribery.
- V. The long-term operating status and business reputation of the corporation.

- VI. Consultation of the opinion of its corporate partners towards the subject corporation.
- VII. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

Article 12

Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the Company's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

Article 13

The Company's personnel shall avoid businesses with agents, suppliers, customers, or other entities who engage in unethical conduct. Any existing business shall be stopped and the entities shall be listed on the banned list to implement the Company's ethical management policy.

Article 14

The Company encourages internal and external personnel to report dishonest or inappropriate behavior. A reward of NT\$60,000 or below shall be given to the reporting person according to the severity of the reported violations. If internal personnel falsely report violations or make malicious accusations, they shall be punished according to regulations. In severe cases, the person can be dismissed.

An independent mailbox or hotline, either internally established on the Company's website and internal website and publicly announced or provided by an independent external institution, to allow company insiders and outsiders to submit reports. A whistleblower shall at least furnish the following information:

- I. An address, telephone number and e-mail address where whistleblower can be reached.
- II. The name or other information that is sufficient to identify the violator.
- III. Specific evidence that can be used for investigation.

The Company personnel handling reporting matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. This Company also undertakes to protect whistleblowers from improper treatment due to their reporting. The responsible unit of this Company shall observe the following procedures:

- I. The information shall be reported to the department head if involving the rank and file and to an Audit Committee if involving a director or a senior executive.
- II. The responsible unit of the Company and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.
- III. If the person being informed on is confirmed to have indeed violated the applicable laws and regulations or this Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.

- IV. Documentation of case acceptance, investigation processes, and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
- V. If the reported violations have been verified, the Company's related units shall be instructed to discuss relevant internal control systems and operating procedures, and propose improvement measures to ensure that the same behavior is not repeated.
- VI. The Company's dedicated unit shall report the violations, measures, and follow-up discussions and improvement measures to the Board. If it is a major violation or the Company is in danger of major damage, the Company shall immediately make a report and notify the Audit Committee in writing

Article 15

The Company's dedicated unit should regularly hold internal promoting activities and arrange for the Chairman, the President, or senior executives to convey the importance of integrity to directors, employees, and assignees.

The Company shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints. If any personnel of the Company seriously violate ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company.

The Company shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 16

These Principles shall be implemented after approved by the Board of Directors, and shall be sent to the Audit Committee and reported at a shareholders' meeting. The same procedure shall apply to any amendments.

When the Company submits these Principles to the Board of Directors for discussion pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the Board of Directors meeting. An independent director that cannot attend the Board meeting in person to express objections or reservations shall provide a written opinion before the Board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the Board of Directors meeting.

Company Number: 311933

THE CAYMAN ISLANDS
THE COMPANIES LAW (AS REVISED)
AMENDED AND RESTATED MEMORANDUM AND
ARTICLES OF ASSOCIATION

OF

Yonggu Group Inc.

Incorporated on the 27th day of May, 2016

(as adopted by a Special Resolution passed on 27th day of June, 2019)



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

AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION

OF

Yonggu Group Inc.

(as adopted by a Special Resolution passed on 27th day of June, 2019)

1. The name of the Company is Yonggu Group Inc.
2. The Registered Office of the Company shall be situated at the Office of Portcullis (Cayman) Ltd at The Grand Pavilion Commercial Center, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands, or such other place within the Cayman Islands as the Board may from time to time decide, being the registered office of the Company.
3. Subject to the following provisions of this Memorandum of Association, the objects for which the Company is established are unrestricted, and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Law (as revised).
4. Subject to the following provisions of this Memorandum of Association, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of the Companies Law (as revised).
5. Nothing in this Memorandum of Association shall permit the Company to carry on a business of a bank or trust company without being licensed in that behalf under the Banks and Trust Companies Law (as revised) or to carry on insurance business from within the Cayman Islands or the business of an insurance manager, agent, sub-agent or broker without being licensed in that behalf under the Insurance Law (as revised) or to carry on the business of company management without being licensed in that behalf under the Companies Management Law (as revised).
6. The Company shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.



7. When conducting business, the Company shall comply with the laws and regulations as well as business ethics, and may take actions that will promote public interests in order to fulfil its social responsibilities.
8. The liability of each member is limited to the amount from time to time unpaid on such member's shares.
9. The share capital of the Company is NT\$1,000,000,000 divided into 100,000,000 ordinary shares of a nominal or par value of NT\$10 each with power for the Company, subject to the provisions of the Companies Law (as revised) and the Articles of Association, to redeem or purchase any of its shares and to sub-divide, increase or reduce the said capital and to issue any part of its capital, original, redeemed, increased or reduced, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that, unless the condition of issue shall otherwise expressly declare, every issue of shares, whether declared to be ordinary, preference or otherwise, shall be subject to the power hereinbefore contained.
10. Capitalised terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company and the interpretations section of the Articles of Association of the Company shall apply to this Memorandum of Association.



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

AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

Yonggu Group Inc.

(as adopted by a Special Resolution passed on 27th day of June, 2019)

INTERPRETATION

1. The Regulations contained or incorporated in Table A of the First Schedule of the Companies Law of the Cayman Islands (as amended, supplemented or otherwise modified from time to time) shall not apply to this Company.
2. (1) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires:

Applicable Listing Rules	the relevant laws, regulations, rules and codes as amended, from time to time, applicable as a result of the original and continued trading or listing of any shares on any Taiwan stock exchange or securities market, including, without limitation the relevant provisions of the Securities and Exchange Act of the R.O.C., the Company Act of the R.O.C., the Act Governing Relations Between Peoples of the Taiwan Area and the Mainland Area, and any similar laws, statutes and the rules and regulations of the R.O.C. authorities thereunder, and the rules and regulations promulgated by the Financial Supervisory Commission, the TPEx and the TWSE (where applicable);
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Articles	these Articles of Association of the Company in their present form, as amended, substituted or supplemented from time to time by a Special Resolution;
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Auditors	the certified public accountant (if any) retained by the Company to audit the accounts of the Company, to audit and/or certify the financial statements of the Company or to perform other similar duties as
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	assigned or requested by the Company for the time being;
Board	the board of Directors of the Company comprising all the Directors;
Capital Reserve	means (1) the Share Premium Account, (2) income from endowments received by the Company and (3) other items generated and treated as capital reserve pursuant to the Applicable Listing Rules or generally accepted accounting principles;
Chairman	has the meaning given thereto in Article 69;
Class or Classes	any class or classes of Shares as may from time to time be issued by the Company in accordance with these Articles;
Commission	the Financial Supervisory Commission of the R.O.C. or any other authority for the time being administering the Securities and Exchange Act of the R.O.C.;
Company	Yonggu Group Inc.;
Consolidation	the combination of two or more constituent companies into a consolidated company which is the new company that results from the consolidation of the constituent companies and the vesting of the undertaking, property and liabilities of such companies in the consolidated company within the meaning of the Law and the Applicable Listing Rules;
Director	a director of the Company or an Independent Director (if any) for the time being who collectively form the Board, and "Directors" means 2 or more of them (including any and all Independent Director(s));
Discount Transfer	has the meaning set out in Article 23(4);
Electronic	shall have the meaning given to it in the Electronic Transactions Law (as revised) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force including every other law incorporated therewith or substituted therefore;
Emerging Market	the emerging market board of the TPEx in Taiwan;



Employees	employees of the Company and/or any of the Subordinate Companies of the Company, as determined by the Board from time to time in its sole discretion, and "Employee" shall mean any one of them;
Financial Statements	has the meaning set out in Article 104;
Independent Directors	those Directors designated as "Independent Directors" who are elected by the Members at a general meeting and appointed as "Independent Directors" for the purpose of these Articles and the requirements of the Applicable Listing Rules, and "Independent Director" means any one of them;
Juristic Person	a firm, corporation or other organization which is recognised by the Law and the Applicable Listing Rules as a legal entity;
Law	the Companies Law of the Cayman Islands and any amendment or other statutory modification thereof and every other act, order, regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum and/or these Articles, and where in these Articles any provision of the Law is referred to, the reference is to that provision as modified by any law for the time being in force;
Member or Shareholder	a Person who is duly registered as the holder of any Share or Shares in the Register for the time being, including persons who are jointly so registered and "Members" or "Shareholders" means 2 or more of them;
Memorandum	the memorandum of association of the Company, as amended or substituted from time to time;
Merger	the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company within the meaning of the Law and the Applicable Listing Rules;
Month	a calendar month;



NTD	New Taiwan Dollars;
Ordinary Resolution	<p>a resolution:-</p> <ul style="list-style-type: none">(a) passed by a simple majority of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Members being Juristic Persons, by their respective duly authorised representatives or, where proxies are allowed, by proxy, present at a general meeting of the Company held in accordance with these Articles;(b) at any time other than during the Relevant Period, approved in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being Juristic Persons by their duly authorized representatives); or(c) where the Company has only one Member, approved in writing by such Member signed by such Member and the effective date of the resolution so adopted shall be the date on which the instrument is executed;
Person	any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;
Preferred Shares	has the meaning given thereto in Article 4;
Private Placement	an offer by the Company of its Shares, bonds and other securities approved by the Commission to specific persons pursuant to the Applicable Listing Rules;
Register	the register of Members of the Company maintained in accordance with the Law at such place within or outside the Cayman Islands;
Registered Office	the registered office of the Company for the time being as required under the Law;



Relevant Period	the period commencing from the date on which any of the securities of the Company first become public offering or registered or listed on the Emerging Market, the TPEX, the TWSE or any Taiwan stock exchange or securities market to and including the date immediately before the day on which none of such securities are so registered or listed (and so that if at any time registration or listing of any such securities is suspended for any reason whatsoever and for any length of time, they shall nevertheless be treated, for the purpose of this definition, as registered or listed);
R.O.C. or Taiwan	the Republic of China, its territories, its possessions and all areas subject to its jurisdiction;
R.O.C. Courts	the Taiwan Taipei District Court or any other competent courts in the R.O.C.;
Seal	the common seal of the Company;
Secretary	any Person for the time being appointed by the Directors to perform any of the duties of the secretary of the Company and including any assistant, deputy, acting or temporary secretary;
Share	any share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;
Share Premium Account	the share premium account of the Company established in accordance with these Articles and the Law;
Shareholder Service Agent	the agent licensed by the R.O.C. authorities and having its offices in the R.O.C. to provide shareholder services, in accordance with the Applicable Listing Rules and the Regulations Governing the Administration of Shareholder Services of Public Companies of the R.O.C. (as revised), to the Company;
signed	bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol



or process attached to or logically associated with an electronic communication and executed or adopted by a Person with the intent to sign the electronic communication;

Special Reserve

has the meaning set out in Article 95;

Special Resolution

a special resolution of the Company passed in accordance with the Law, being a resolution:

- (a) passed by a majority of at least two-thirds of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Members being Juristic Persons, by their respective duly authorised representatives or, where proxies are allowed, by proxy, present at a general meeting of the Company held in accordance with these Articles, of which notice, specifying (without prejudice to the power contained in these Articles to amend the same) the intention to propose the resolution as a Special Resolution, has been duly given;
- (b) at any time other than during the Relevant Period, approved in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being Juristic Persons by their duly authorized representatives); or
- (c) where the Company has only one Member, approved in writing by such Member signed by such Member and the effective date of the special resolution so adopted shall be the date on which the instrument is executed.

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

Spin-off

an act wherein a transferor company transfers all of its independently operated business or any part of it to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to give



shares, cash or other assets to the transferor company or to shareholders of the transferor company;

Statutory Reserve a reserve set aside in an amount equal to ten percent (10%) of the annual profits of the Company under the Applicable Listing Rules;

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

TDCC the Taiwan Depository & Clearing Corporation;

TPEX the Taipei Exchange in Taiwan;

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

TWSE the Taiwan Stock Exchange Corporation.

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

(3) In these Articles unless the context otherwise requires:

(a) words importing the singular number shall include the plural number and vice-versa;

(b) words importing the masculine gender shall include the feminine gender and neuter genders;

(c) a notice provided for herein shall be in writing unless otherwise specified and all reference herein to "in writing" and "written" shall include printing, lithography, photography and other modes of representing or reproducing words in permanent visible form; and

(d) "may" shall be construed as permissive and "shall" shall be construed as imperative.



- (4) Headings used herein are intended for convenience only and shall not affect the construction of these Articles.

SHARES

3. Subject to these Articles and any resolution of the Members to the contrary, the Board may, in respect of all Shares for the time being unissued:
- (a) offer, issue and allot of such Shares to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine, but so that no Share shall be issued at a discount, except in accordance with the provisions of the Law and, if during the Relevant Period, the Applicable Listing Rules; and
 - (b) grant options with respect to such Shares and issue warrants or similar instruments with respect thereto, in accordance with the provisions of the Law and, if during the Relevant Period, the Applicable Listing Rules; and, for such purposes, the Board may reserve an appropriate number of Shares for the time being unissued.
4. Subject to Article 5 and the sufficiency of the authorised share capital of the Company, the Company may issue Shares of different Classes with rights which are preferential or inferior to those of ordinary Shares issued by the Company (“**Preferred Shares**”) with the approval of a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors.
5. (1) Where the Company is to issue Preferred Shares, the following shall be expressly set out in these Articles:
- (a) the total number of Preferred Shares that have been authorised to be issued and the numbers of the Preferred Shares already issued;
 - (b) the order, fixed amount or fixed ratio of allocation of dividends, bonuses and other distributions on such Preferred Shares;
 - (c) the order, fixed amount or fixed ratio of allocation of surplus assets of the Company, upon its liquidation, to the holders of the Preferred Shares;
 - (d) the order of or restrictions on the voting right(s) (including, where applicable, a statement that such Preferred Shares have no voting rights whatsoever) of the holders of such Preferred Shares;
 - (e) other matters concerning rights and obligations incidental to the Preferred Shares; and
 - (f) the method by which the Company is authorised or compelled to redeem



the Preferred Shares, or a statement that redemption rights shall not apply.

- (2) Subject to the Law, the Memorandum and these Articles shall be amended with the sanction of a Special Resolution to stipulate the rights, benefits and restrictions of such Preferred Shares and the number of the Preferred Shares the Company is authorised to issue.
6. During the Relevant Period, subject to the sufficiency of the authorised share capital of the Company and these Articles, the issue of new ordinary Shares in the Company shall be approved by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors.
7.
 - (1) The Company shall issue Shares without printing share certificates, provided that the Register shall be conclusive evidence of the entitlement of a Person to Shares recorded against his/her/its name. During the Relevant Period, whenever the Company issues Shares, the Company shall deliver or cause the Shareholder Service Agent to deliver Shares by advising TDCC to record the number of Shares against the name of each subscriber within thirty (30) days from the date such Shares may be delivered, pursuant to the Law. The Company shall make a public announcement in accordance with the Applicable Listing Rules prior to the delivery of such Shares.
 - (2) The Company shall not issue bearer Shares.
 - (3) The Company shall not issue any unpaid Shares or partial paid-up Shares to any Person.
 - (4) The Company shall neither issue Shares without par value nor convert its Shares from Shares with par value to Shares without par value.
8. During the Relevant Period:
 - (a) upon each issuance of new Shares (other than resulting from or in connection with any Merger or Consolidation of the Company, Spin-off of the Company's business, any reorganisation of the Company, asset acquisition, share swap, exercise of share options or warrants granted to the Employees, conversion of convertible securities or debt instruments, exercise of subscription warrants or rights to acquire Shares vested with preferential or special rights, where the Company issues new Shares to the existing Members by capitalisation of its reserves in accordance with these Articles, Private Placement or other issuance of Shares for consideration other than cash), the Board may reserve not more than fifteen percent (15%) of the new Shares for subscription by the Employees pursuant to the Law and the Applicable Listing Rules; and
 - (b) where the Company issues new Shares for cash consideration, after the Board reserving certain percentage of the new Shares for subscription by the Employees pursuant to subsection (a) of this Article, the Company shall allocate ten percent (10%) (or such greater percentage as the Company by an Ordinary Resolution



determines) of the total number of the new Shares to be issued for offering in the R.O.C. to the public unless (i) the Commission, the TPEX and/or the TWSE (where applicable) considers such public offering unnecessary or inappropriate or (ii) the Applicable Listing Rules provide otherwise.

9. During the Relevant Period, subject to an Ordinary Resolution, upon each issuance of new Shares for cash consideration, the Company shall, after reserving the portion of new Shares for subscription by the Employees and public offering in the R.O.C. pursuant to Article 8, first offer such remaining new Shares, by a public announcement and a written notice to each existing Member respectively, stating that in case any such existing Member fails to confirm his/her/its subscription within the prescribed period his/her/its subscription right shall be forfeited, for the subscription of each such existing Member in proportion to the number of Share(s) held by him/her/it, provided that:
 - (a) where any fractional Share held by a Member is insufficient to subscribe for one new Share, the fractional Shares being held by several Members may be combined for joint subscription of one or more integral new Shares or for subscription of new Shares in the name of a single Member;
 - (b) the existing Member(s) may assign and transfer his subscription right to other Persons independently of his original Shares; and
 - (c) new Shares left unsubscribed may be offered to the public or to specific Persons through negotiation.
10. The preceding Article shall not apply whenever the new Shares are issued for the following purpose:
 - (a) in connection with a Merger or a Consolidation of the Company or a Spin-off of the Company's business, or pursuant to any reorganisation of the Company;
 - (b) in connection with meeting the Company's obligation under Share subscription warrants and/or options granted to the Employees;
 - (c) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to acquire Shares;
 - (d) in connection with meeting the Company's obligation under share subscription warrant or Preferred Shares vested with rights to acquire Shares;
 - (e) in connection with any share swap arrangement entered into by the Company, or
 - (f) in connection with any Private Placement conducted pursuant to Article 13; or
 - (g) in connection with any other event otherwise prohibited, limited, restricted or exempted to so apply pursuant to the Law and/or the Applicable Listing Rules.



11. During the Relevant Period, subject to the Applicable Listing Rules, the Company may, upon adoption of a resolution passed by a majority of the Directors present at a meeting of the Board attended by two-thirds or more of the total number of Directors, enter into a share subscription right agreement with the Employees whereby such Employees may subscribe, within a specific period of time, for a specific number of Shares of the Company at an agreed subscription price. Upon execution of the said agreement, the Company shall issue to each of such Employees a share subscription warrant. Such issued share subscription warrant shall be non-assignable, except for transfer by inheritance or intestacy.
12. During the Relevant Period, the Company may, subject to approval of Shareholders by way of Special Resolution, issue new Shares with restricted rights as approved by such Special Resolution to Employees of the Company and/or its Subordinate Companies, provided that Articles 8 and 9 shall not apply. In respect of the issuance of Shares to Employees in the preceding sentence, the number of Shares to be issued, issue price, issue conditions, restrictions and other matters shall be subject to the Applicable Listing Rules and the Law.
13. (1) During the Relevant Period and subject to the Applicable Listing Rules, the Company may, with the sanction of a Special Resolution, conduct a Private Placement with any of the following Persons in the R.O.C.:
 - (a) banks, bills finance enterprises, trust enterprises, insurance enterprises, securities enterprises, or other Juristic Persons or institutions approved by the Commission;
 - (b) natural persons, Juristic Persons, or funds meeting the conditions prescribed by the Commission; or
 - (c) directors, supervisors, officers and managers of the Company or its affiliated enterprises.
- (2) Subject to the preceding Paragraph, the Board may resolve by a majority of the Directors presents at a meeting attended by two-thirds or more of the total numbers of the Directors that a Private Placement of ordinary corporate bonds be carried out by installments within one year of the date of such resolution.
14. The Company may by a Special Resolution reduce its share capital in the manner authorised, and subject to any conditions prescribed, by the Law and the Applicable Listing Rules.
15. During the Relevant Period, any issuance, conversion or cancellation of the Shares or any other equity securities (including but not limited to warrants, options or bonds), capitalisation and shareholder services, shall comply with the Law, the Applicable Listing Rules and the Regulations Governing the Administration of Shareholder Services of Public Companies of the R.O.C. (as revised).



MODIFICATION OF RIGHTS

16. Whenever the share capital of the Company is divided into different Classes of Shares, including where Preferred Shares are issued, subject to Article 46 and in addition to a Special Resolution, the special rights attached to any Class shall be varied or abrogated with the sanction of a Special Resolution passed at a separate general meeting of the holders of the Shares of such Class. To every such separate general meeting and all adjournments thereof, all the provisions of these Articles relating to general meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply.
17. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that Class, be deemed to be materially adversely varied or abrogated by, *inter alia*, the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them or the redemption or purchase of Shares of any Class by the Company.

REGISTER

18. Subject to the Law, the Board shall cause to be kept the Register at such place within or outside the Cayman Islands as it deems fit. During the Relevant Period, the Register shall be entered therein the particulars required under the Law and the Applicable Listing Rules, and shall be made available at its Shareholder Service Agent's office in the R.O.C. The Board or any other authorized conveners of general meetings of the Company may request that the Company or the Company's Shareholder Service Agent provide a copy of the Register for inspection.
19. Notwithstanding anything contained in these Articles and subject to the Law, during the Relevant Period, the relevant information of the Members shall be recorded by TDCC, and the Company shall recognize each person identified in the records provided by TDCC to the Company as a Member and such records shall form part of the Register as at the date of receipt of such records by the Company.

REDEMPTION AND REPURCHASE OF SHARES

20. (1) Subject to the Law and these Articles, Shares may be issued on the terms that they are, or at the option of the Company or the holder are, to be redeemed on such terms and in such manner as the Company, before the issue of the shares, may by Special Resolution determine.
- (2) All Preferred Shares may be redeemed in accordance with the provisions of the Law, provided that the privileges accorded to holders of the Preferred Shares by these Articles shall not be impaired under the Law and the Applicable Listing Rules.
21. (1) Subject to the Law, the Applicable Listing Rules and these Articles, upon the approval of a majority of the Directors present at a Board meeting attended by two-thirds or more of Directors, the Company may purchase its own Shares.



- (2) During the Relevant Period:
 - (a) The number of Shares to be purchased by the Company from time to time shall not exceed ten percent (10%) of the total number of issued and outstanding Shares and the total amount of the Shares to be purchased by the Company shall not exceed the aggregate amount of retained profits, premium on capital stock, and realized Capital Reserve.
 - (b) Such resolutions of the Board approving purchases of Shares and the implementation thereof (including the failure of any purchase of Shares as approved by such resolutions, if any) shall be reported to the Shareholders at the next general meeting of the Company.
- 22. (1) Shares repurchased, redeemed or acquired (by way of surrender or otherwise) by the Company shall be cancelled immediately or held as Treasury Shares, upon such terms and manner and subject to such conditions as the Board thinks fit.
- (2) During the Relevant Period, all matters relating to the Company's redemption and repurchase of Shares shall be subject to the Law and the Applicable Listing Rules.
- 23. (1) Subject to the Law, for so long as the Company holds Treasury Shares, the Company shall be entered in the Register as the holder of the Treasury Shares, provided that:
 - (a) the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
 - (b) the Treasury Shares shall not be pledged or encumbered in any manner whatsoever;
 - (c) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued Shares at any given time, whether for the purposes of these Articles or the Law; and
 - (d) no dividend/bonus may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up) may be made to the Company, in respect of a Treasury Share.
- (2) Subject to the Law and these Articles, any or all Treasury Shares may at any time be canceled or transferred to any person (including the Employees; the qualifications of such employees shall be determined by the Board, subject to Paragraph (5) of this Article) upon such terms and manner and subject to such conditions as the Board thinks fit. The Board may determine, at its discretion, the terms and conditions (including a lock-up period restricting the transfer of any Treasury Shares



transferred to the Employees pursuant to this Paragraph (2) for a term of up to two (2) years) of such transfer.

- (3) A sum equal to the consideration (if any) received by the Company pursuant to the transfer of Treasury Share(s) shall be credited in accordance with the Law.
 - (4) Subject to Paragraph (5) of this Article and the Law, the Company may, by way of a Special Resolution passed at the next general meeting of the Company, transfer the Treasury Shares to the Employees for a price that is below the average price that the Company has paid to purchase such Treasury Shares (the “**Discount Transfer**”), provided that the following matters shall be specified in the notice of such general meeting with the description of their major contents, and shall not be proposed as ad hoc motions:
 - (a) the transfer price of the Treasury Shares as determined by the Board, the discount rate used for the Discount Transfer, and the calculation basis of the Discount Transfer, and the basis of such determination;
 - (b) the amount of the Treasury Shares to be transferred pursuant to, and the purpose of, the Discount Transfer, and the basis of such determination;
 - (c) the qualification and terms of the Employees to whom the Treasury Shares are transferred and the amount of Treasury Shares for which such Employees may subscribe pursuant to the Discount Transfer;
 - (d) matters that the Board is of the opinion that may affect Shareholders' equity, including:
 - (i) any expenses that may be incurred and dilution of per share profit, if any, due to the Discount Transfer in accordance with the Applicable Listing Rules; and
 - (ii) any burden on the Company caused by the Discount Transfer in accordance with the Applicable Listing Rules.
 - (5) The total aggregate amount of the Treasury Shares to be transferred to the Employees pursuant to the Discount Transfer in accordance with Paragraph (4) of this Article shall not exceed five percent (5%) of the total number of issued and outstanding Shares of the Company, and each Employee shall not subscribe for more than point five percent (0.5%) of the total issued and outstanding Shares of the Company in aggregate.
24. (1) Notwithstanding anything to the contrary contained in these Articles but subject to the Law, the Company may carry out a compulsory purchase and cancellation of its Shares on a pro rata basis (rounded up or down to the nearest whole number) among the Shareholders in proportion to the number of Shares held by each such Shareholder subject to approval by a Special Resolution. The purchase price



payable to the Shareholders in connection with a purchase of Shares described in the preceding sentence may be paid in cash or in kind. Where any purchase price is paid in kind, the type of such payment in kind and the corresponding amount of such substitutive distribution shall be subject to approval by a Special Resolution as well as individual consent by the Shareholder(s) receiving such payment in kind. Prior to convening the general meeting for approving such purchase of Shares, the Board shall determine the monetary equivalent value of any purchase price to be paid in kind and have such value audited and certified by a certified public accountant in the R.O.C.

- (2) For the avoidance of doubt, where the proposed purchase and cancellation of Shares is not on a pro rata basis, subject to the Law and the Applicable Listing Rules, the Board is empowered to authorize and carry out such repurchase without approval by Special Resolution in accordance with the preceding Paragraph.

TRANSFER AND TRANSMISSION OF SHARES

25. Subject to the Law and the Applicable Listing Rules and unless otherwise provided by these Articles, the Shares shall be freely transferable.
26. The Company shall not be obligated to recognize any transfer or assignment of Shares unless the name/title and residence/domicile of the transferor and transferee have been recorded in the Register. The registration of transfers may be suspended when the Register is closed in accordance with Article 28.

NON-RECOGNITION OF TRUSTS

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

CLOSING REGISTER OR FIXING RECORD DATE

28. (1) The Board may fix in advance the record date(s) for (a) determining the Members entitled to receive any dividend/bonus, distribution or issue; (b) determining the Members entitled to receive notices of, attend or vote at any general meeting or any adjournment thereof in person, by proxy, way of a written ballot or by way of electronic transmission; and (c) any other purposes as determined by the Board. In the event the Board designates the record date(s) for (b) in accordance with this Article, such record date(s) shall be date(s) prior to the general meeting.



- (2) During the Relevant Period, subject to the Law, for the purposes of (a) determining the Members entitled to receive any dividend/bonus, distribution or issue; and (b) determining the Members entitled to receive notices of, attend or vote at any general meeting or any adjournment thereof, the Board shall fix the period that the Register shall be closed for transfers (the “**Book Closure Period**”) at least for a period of sixty (60) days before the date of each annual general meeting, thirty (30) days before the date of each extraordinary general meeting and five (5) days before the target date for a dividend, bonus or other distribution. For the purpose of calculating the Book Closure Period, the respective convening date of the general meeting or the relevant target date shall be included.

GENERAL MEETINGS

29. The Company shall in each year hold a general meeting as its annual general meeting within six months after close of each financial year or such other period as may be permitted by the Commission, the TPEX or the TWSE (where applicable). The annual general meeting shall be convened by the Board.
30. All general meetings other than annual general meetings shall be called extraordinary general meetings. The Board may, whenever they think fit, convene an extraordinary general meeting of the Company.
31. During the Relevant Period, all general meetings shall be held in the R.O.C. At any time other than during the Relevant Period, the Board may convene any general meeting at such place as it deems fit.
32.
 - (1) Any one or more Member(s) may, by depositing the requisition notice specifying the proposals to be resolved and the reasons thereof, request the Board to convene an extraordinary general meeting, provided that such Member or Members continuously holds at least three percent (3%) of the issued Shares of the Company as at the date of deposit of the requisition notice for a period of at least one year immediately prior to that date. If the Board does not give notice to Members to convene such meeting within fifteen (15) days after the date of the requisition notice, the proposing Member(s) may convene a general meeting.
 - (2) Any one or more Member(s) continuously holding more than half of the total issued Shares of the Company for a period of no less than three months may convene an extraordinary general meeting. The number of Shares held by such Member or Members and the holding period of which such Member or Members hold such Shares shall be calculated and determined based on the Register as of the first day of the Book Closure Period.
 - (3) In addition to the circumstance where the Board should have convened a general meeting but does not or is unable to convene a general meeting pursuant to the Law, the Applicable Listing Rules or these Articles, an Independent Director from the audit committee of the Company may also, for the benefit of the Company, call a



general meeting when it is deemed necessary.

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

NOTICE OF GENERAL MEETING

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



- (a) any election or removal of Director(s);
 - (b) any alteration of the Memorandum and/or these Articles;
 - (c) any capital reduction or compulsory purchase and cancellation of Shares pursuant to Paragraph (1) of Article 24;
 - (d) applying for the approval of ceasing the status as a public company;
 - (e) any dissolution, voluntary winding-up, Merger, share swap, Consolidation or Spin-off of the Company;
 - (f) entering into, amending, or terminating any contract for lease, management or regular joint operation of the Company's whole business;
 - (g) the transfer of the whole or any material part of the Company's business or assets;
 - (h) the acquisition of the whole business or assets of a Person, which has a material effect on the operation of the Company;
 - (i) carrying out a Private Placement of any equity-type securities issued by the Company;
 - (j) granting a waiver to a Director's non-competition obligation or approving a Director to engage in activities in competition with the Company;
 - (k) distributing dividends, bonuses or other distributions payable on or in respect of the Share in whole or in part by way of issuance of new Shares; and
 - (l) capitalisation of the Company's Statutory Reserve, the Share Premium Account and/or the income from endowments received by the Company in the Capital Reserve, by issuing new Shares and/or cash to its existing Members.
37. During the Relevant Period, the Company shall prepare a manual for each general meeting, and such manual and relevant materials shall be published on the website designated by the Commission, the TPEX or the TWSE (where applicable) twenty-one (21) days prior to the scheduled date of the relevant annual general meeting and fifteen (15) days prior to the scheduled date of the relevant extraordinary general meeting pursuant to the Applicable Listing Rules.
38. The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any Member entitled to receive notice shall not invalidate the proceedings of that general meeting.

PROCEEDINGS AT GENERAL MEETINGS



39. No business, other than the appointment of a chairman of the meeting, shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as otherwise provided by these Articles, at least two Members present in person or by proxy or (in the case of a Member being a corporation) by its duly authorised representative representing more than one-half of the total issued and outstanding Shares with voting rights shall be a quorum of Members for all purposes.
40. (1) During the Relevant Period, one or more Member(s) holding one percent (1%) or more of the total issued Shares of the Company may submit to the Company not more than one proposal in writing or by way of electronic transmission for resolution at an annual general meeting.
- (2) During the Relevant Period, prior to the commencement of the period in which the Register is closed for transfers before an annual general meeting, the Company shall make a public announcement of the place and the period for Members to submit proposals; provided that the period for submitting such proposals shall not be less than ten (10) days.
- (3) The Member who has submitted a proposal shall attend, in person or by a proxy, such general meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.
- (4) The Board shall include a proposal submitted by Member(s) unless:
- (a) the proposal involves matters which cannot be settled or resolved at a general meeting under the Law, the Applicable Listing Rules and these Articles;
 - (b) the number of Shares held by the proposing Member(s) is less than one percent (1%) of the total issued Shares in the Register upon commencement of the period in which the Register is closed for transfers before the relevant annual general meeting of the Company;
 - (c) the proposal contains more than one matter;
 - (d) the proposal contains more than three hundred (300) words; or
 - (e) the proposal is submitted after the expiration of the specified period announced by the Company for submitting proposals.
- (5) If a proposal submitted by Member(s) is intended to urge the Company to promote public interests or fulfil its social responsibilities, the Board may include the proposal notwithstanding that one of the circumstances set forth in the preceding Paragraph (4) of this Article applies.
- (6) The Company shall, prior to the despatch of a notice of the relevant annual general meeting, inform all the proposing Members of whether their proposals are accepted or not, and shall list in the notice of the relevant annual general meeting all the accepted



proposals. The Board shall explain at the relevant annual general meeting the reasons for excluding any proposal submitted by Members.

41. The Chairman shall preside as chairman at every general meeting of the Company convened by the Board. For a general meeting convened by any Person other than the Board, such Person shall act as the chairman of that meeting; provided that if there are two or more Persons jointly convening such meeting, the chairman of the meeting shall be elected from those Persons.
42. If at any general meeting the Chairman is not present or is unwilling to act as chairman, he shall appoint one of the Directors to act on his behalf. In the absence of such appointment, the Directors present may choose one of them to be the chairman of that general meeting.
43. A general meeting may be adjourned by the Company by an Ordinary Resolution from place to place within five (5) days, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for more than five (5) days, notice of the time and location of the adjourned meeting shall be given as in the case of an original meeting.
44. At any general meeting, a resolution put to the vote of the meeting shall be decided on a poll.
45. Unless otherwise expressly required by the Law, the Applicable Listing Rules or these Articles, any matter proposed for approval by the Members at a general meeting shall be passed by an Ordinary Resolution.
46. (1) Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution:
 - (a) enter into, amend, or terminate any contract for lease, management or regular joint operation of its whole business;
 - (b) transfer the whole or any material part of its business or assets;
 - (c) acquire the whole business or assets of a Person, which has a material effect on the operation of the Company;
 - (d) distribute dividends, bonuses or other distributions in whole or in part by way of issuance of new Shares;
 - (e) effect any Spin-off of the Company;
 - (f) authorise a plan of Merger or Consolidation involving the Company;
 - (g) resolve that the Company be wound up voluntarily for reasons other than the reason provided in Article 47;
 - (h) carry out a Private Placement;



- (i) grant a waiver to a Director's non-competition obligation, or approve a Director to engage in activities in competition with the Company;
 - (j) change its name;
 - (k) change the currency denomination of its share capital;
 - (l) increase the share capital by such sum, to be divided into new Shares of such Classes of such par value, as the resolution shall prescribe;
 - (m) consolidate and divide all or any of its share capital into Shares of a larger par value than its existing Shares;
 - (n) subdivide its existing Shares, or any of them, into Shares of a smaller par value than is fixed by the Memorandum;
 - (o) cancel any Shares that, at the date of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled;
 - (p) subject to these Articles (including without limitation Articles 16 and 17), alter or amend the Memorandum or these Articles, in whole or in part;
 - (q) reduce its share capital and any fund of the capital redemption reserve in any manner authorised by the Law and the Applicable Listing Rules;
 - (r) appoint an inspector to examine the affairs of the Company under the Law;
 - (s) issue new Shares to Employees of the Company and/or its Subordinate Companies subject to any restrictions and conditions in accordance with Article 12; and
 - (t) apply for the approval of ceasing the status as a public company.
- (2) Notwithstanding anything contained in these Articles, unless otherwise provided by the Law and the Applicable Listing Rules, in case the Company is dissolved after participating in the merger/consolidation or the Company is delisted from the TPEX or TWSE due to the general transfer (or the assignment of all rights and delegation of all duties of the Company), the transfer of business or assets of the Company, any share swap arrangement or any Spin-off entered into or carried out by the Company while the surviving, transferee, existing or newly incorporated company is not a listed company (including TWSE/TPEX listed company), any such action aforementioned shall be approved by the affirmative vote of at least two-thirds (2/3) of the total votes cast by the Members of the Company.

47. Subject to the Law and the Applicable Listing Rules, the Company may by an Ordinary



Resolution resolve that the Company be wound up voluntarily if the Company is unable to pay its debts as they fall due.

48. (1) Subject to the compliance with the Law, in the event any of the resolutions with respect to the matter(s) as set out in Paragraphs (a), (b) or (c) of Article 46(1) is adopted at a general meeting, a Member who has notified the Company in writing of his objection to such proposal prior to that meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair price; provided, however, that no Member shall have the abovementioned appraisal right if the resolution to be adopted is in relation to the matter(s) set out in Paragraph (b) of Article 46(1) and at the same meeting the resolution for the winding up of the Company is also adopted.
- (2) Subject to the compliance with the Law, in the event any part of the Company's business is involved in any Spin-Off, Merger or Consolidation, a Member, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing or orally with an entry to that effect in the minutes of the meeting before the relevant vote, may request the Company to purchase all of his Shares at the then prevailing fair price.
- (3) Without prejudice to the Law, in the event the Company and a Member making a request pursuant to Paragraphs (1) or (2) of this Article fail to reach an agreement on the purchase price within sixty (60) days following the date of the resolution, the Member may, within thirty (30) days after such sixty (60) days period, file a petition to the R.O.C. Courts for a ruling on the appraisal price. However, for the purpose of protecting rights of the dissenting Member, the Company may elect to act in accordance with the laws of place where the securities of the Company are registered or listed.
49. In case the procedure for convening a general meeting in which a resolution is adopted or the method of adopting a resolution is in violation of the Law, the Applicable Listing Rules or these Articles, a Member may, if and to the extent permitted under the Law, within thirty (30) days from the date of the resolution, submit a petition to the Taiwan Taipei District Court of the R.O.C., as applicable, for an appropriate remedy, including but not limited to, requesting the court to invalidate and cancel the resolution adopted therein.
50. Notwithstanding anything to the contrary provided for in these Articles, at any time other than during the Relevant Period, a resolution (including a Special Resolution) in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being Juristic Persons by their duly authorized representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.
51. The proceedings regarding general meetings and the voting in general meetings not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by the Company by an Ordinary Resolution from time to time; during the Relevant Period, such internal rules shall be in compliance with the Law and the Applicable Listing Rules.



VOTES OF MEMBERS

52. Subject to any rights and restrictions as to voting for the time being attached to any Share by or in accordance with these Articles, at any general meeting, every Member present in person (or in the case of a Member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each Share registered in his/her/its name in the Register.
53. In the case of joint Members, the joint Members shall select a representative among them to exercise their voting powers and the vote cast by such representative, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Members.
54. A Shareholder who holds Shares for the benefit of others need not use all his votes or cast all the votes he holds in the same way as he uses his votes in respect of Share he holds for himself. The qualifications, scope, methods of exercise, operating procedures and other requirements for separate votes shall be in compliance with the Applicable Listing Rules.
55. Any corporation which is a Member of the Company may, by resolution of its board or other governing body, authorise such natural person as it thinks fit to act as its representative at any general meeting or at any meeting of a Class of Members of the Company.
56. (1) Subject to the Law and the Applicable Listing Rules, Shares held by the following persons shall not be counted in the total number of issued Shares of the Company which are entitled to vote for when calculating the quorum at a general meeting and Members belonging to the following persons shall abstain from voting in respect of all Shares held by them:
- (a) the Company itself (if such holding is permitted by the Law);
 - (b) any entity in which the Company is legally or beneficially interested in more than fifty percent (50%) of its issued and voting share capital or equity capital; or
 - (c) any entity in which the Company and (i) its holding company, and (ii) its Subordinate Company are legally or beneficially, directly or indirectly, interested in more than fifty percent (50%) of its issued and voting share capital or equity capital.
- (2) Any Member who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a general meeting shall abstain from voting in respect of all the Shares that such Member should otherwise be entitled to vote, on his behalf or as a proxy or corporate representative, with respect to the said matter. Any and all votes cast by such Member(s) shall not be counted in determining the number of votes for or against such matter.
- (3) Where any Director, who is also a Shareholder of the Company, creates or has created any charge, mortgage, encumbrance or lien in respect of Shares held by such Director



(the "**Charged Shares**") exceeding fifty percent (50%) of total Shares held by such Director at the time of his/her latest appointment as Director, such Director shall refrain from exercising its voting rights on the Shares representing the difference between the Charged Shares and fifty percent (50%) of total Shares held by such Director at the time of his/her latest appointment as Director, and such Shares shall not carry the voting rights and shall not be counted toward the number of votes represented by the Shareholders present at a general meeting but shall be included in the quorum.

57. To the extent permitted by the Law, the Board may resolve that the voting power of a Member at a general meeting may be exercised by way of a written ballot or by way of electronic transmission. The method for exercising such voting power shall be described in the general meeting notice to be given to the Members if the voting power may be exercised by way of a written ballot or electronic transmission. Notwithstanding the foregoing, during the Relevant Period, subject to the Applicable Listing Rules, the Company shall adopt the electronic transmission as one of the methods for exercising the voting power of a Member. Any Member who intends to exercise his voting power by way of a written ballot or by way of electronic transmission shall serve the Company with his voting decision at least two (2) days prior to the date of such general meeting. Where more than one voting decision are received from the same Member by the Company, the first voting decision shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous voting decision in the later-received voting decision. A Member who exercises his voting power at a general meeting by way of a written ballot or by electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to vote his Shares at the general meeting only in the manner directed by his written instrument or electronic document. The chairman of the general meeting as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electronic document, impromptu proposal and/or any amendment to resolution(s) proposed at the said general meeting. For the purpose of clarification, such Members voting in such manner shall be deemed to have waived their voting rights with respect to any extemporary matters or amendment to resolution(s) proposed at the general meeting.
58. In case a Member who has cast his votes by a written instrument or by way of electronic transmission intends to attend the relevant general meeting in person, he shall, at least two (2) day prior to the date of the general meeting, revoke such votes by serving a notice in the same manner as he cast such votes. In the absence of a timely revocation of such votes, such votes shall remain valid. Nonetheless, such Member who attends and votes at a general meeting in person would be deemed to have revoked his prior voting instructions by a written instrument or by way of electronic transmission, notwithstanding that such Member has not submitted a revocation notice in accordance with this Article 58.

PROXY

59. (1) A Member may appoint a proxy to attend a general meeting on his behalf by executing a proxy form produced by the Company stating therein the scope of power authorized to the proxy. A proxy need not be a Member.



- (2) During the Relevant Period, subject to the Law and unless otherwise provided in these Articles, forms of instrument of proxy for use at a general meeting shall be produced by the Company specifying therein (a) the instructions for filling out the form, (b) the matters to be entrusted by the Member or to be voted upon pursuant to such proxy, and (c) the basic information of the Member as appointor, the proxy and the proxy solicitor (if any) and shall be sent out together with the notice of general meeting to all Members on the same day.
60. A Member may only appoint one proxy for each general meeting irrespective of how many Shares he holds and shall serve an executed proxy in compliance with the preceding Article to the Company or its Shareholder Service Agent as the case may be no later than five (5) days prior to the date of the general meeting. In case the Company receives two or more proxies from one Member, the one received first by the Company shall prevail unless an explicit statement by the Member to revoke such proxy is made in the subsequent proxy, provided this subsequent proxy is received no later than five (5) days prior to the date of the general meeting.
61. In case a Member who has served a proxy intends to attend the relevant general meeting in person or to exercise his voting power by way of a written ballot or electronic transmission, he shall, at least two (2) days prior to the date of the general meeting, revoke such proxy by serving a separate written notice to the Company or Shareholder Service Agent. Otherwise, the votes cast by the proxy at the general meeting shall prevail. Nonetheless, such Member who attends and votes at a general meeting in person would be deemed to have revoked his proxy appointment, notwithstanding that such Member has not submitted a revocation notice in accordance with this Article 61.
62. A Member who has served the Company with his voting decision in accordance with Article 57 for the purpose of exercising his voting power by way of a written ballot or by way of electronic transmission may appoint a person as his proxy to attend the meeting in accordance with these Articles, in which case the vote cast by such proxy shall be deemed to have revoked his previous voting decision served on the Company and the Company shall only count the vote(s) cast by such expressly appointed proxy at the meeting.
63. During the Relevant Period, except for trust enterprises or shareholder service agencies duly licensed under the R.O.C. competent authorities or the chairman of a general meeting who is deemed appointed as proxy pursuant to Article 57, where a Person acts as a proxy for two or more Members, the number of voting Shares that the proxy may vote in respect thereof shall not exceed three percent (3%) of the total number of issued and outstanding voting Shares; otherwise, such number of voting Shares in excess of the aforesaid threshold shall not be counted towards the number of votes cast for or against the relevant resolution or the number of voting Shares present at the relevant general meeting but shall be included in the quorum. Upon such exclusion, the number of voting Shares being excluded and attributed to each Member represented by the same proxy shall be determined on a pro-rata basis based on the total number of voting Shares being excluded and the number of voting Shares that such Members have appointed the proxy to vote for.
64. The use and solicitation of proxies not provided for in these Articles shall be governed by the



internal rules of the Company, as adopted and amended by the Board from time to time, which shall be in compliance with the Law and the Applicable Listing Rules (in particular, the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of R.O.C. Public Companies (as amended, supplemented or otherwise modified from time to time)).

DIRECTORS AND THE BOARD

65. (1) The Board shall consist of not less than five (5) or more than twelve (12) Directors (including Independent Directors). Subject to the foregoing, the number of Directors to be elected and hold the office shall be stated in the notice of the general meeting in which an election of Directors will be held.
- (2) A Director can be a natural person or a Juristic Person. Where a Director is a Juristic Person, it shall designate a natural person as its authorized representative to exercise, on its behalf, the powers of a Director and may replace such representative from time to time so as to fulfil its remaining term of the office. A Director shall not be required to hold any Shares in the Company.
- (3) Directors shall be elected by Members at general meetings. Any Juristic Person which is a Member shall be entitled to appoint a natural person or natural persons as its representative(s) to be nominated for election as Director in accordance with these Articles.
- (4) The principle of cumulative voting shall apply in any election of Directors pursuant to this Article. Each Member entitled to vote in such election shall have a number of votes equal to the product of (i) the number of votes conferred by such Member's Shares and (ii) the number of Directors to be elected at the general meeting. Each Member may divide and distribute such Member's votes, as so calculated, among any one or more candidates for the directorships to be filled, or such Member may cast such Member's votes for a single candidate. At such election, the candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be elected. Notwithstanding anything to the contrary in these Articles, at any time other than the Relevant Period, the Company may by Ordinary Resolution appoint any Person to be a Director or remove any Director from office.
- (5) The proceedings and the voting regarding the election of Directors not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by an Ordinary Resolution from time to time, which shall be in compliance with the Law and the Applicable Listing Rules.
66. The Company may, whenever it thinks fit, adopt and apply a candidate nomination mechanism for election of any of the Directors in accordance with the Applicable Listing Rules. Notwithstanding the foregoing, during the Relevant Period, a candidate nomination mechanism shall be adopted for election of all Directors. Upon adoption of candidate nomination mechanism, the Directors and Independent Directors shall be elected by the Members at a general meeting from among the nominees listed in the respective rosters of



director candidates and independent director candidates. Subject to the Law and the Applicable Listing Rules, the Board may establish detailed rules and procedures for such candidate nomination.

67. Subject to these Articles, each Director shall be appointed to a term of office of three (3) years and is eligible for re-election. In case no election of new Directors is effected prior to the expiration of the term of office of existing Directors, the term of office of such existing Directors shall be extended until the time such Directors are re-elected or new Directors are duly elected and assume their office subject to these Articles. In the event of any vacancy in the Board, the new Director elected in the general meeting shall fill the vacancy for the residual term of office.
68. (1) Unless otherwise provided by these Articles, a Director may be removed from office at any time by a Special Resolution adopted at a general meeting.
- (2) Without prejudice to other provisions of these Articles, the Directors may be put up for re-election at any time before the expiration of the term of office of such Directors. In the event where all Directors are subject for re-election at a general meeting before the expiration of the term of office of such Directors, subject to the successful election of the new Directors at the same meeting, the term of office of all current Directors is deemed to have expired on the date of the re-election if the Members do not resolve that all current Directors will only retire at the expiration of their present term of office or any other date as otherwise resolved by the Members at the general meeting.
69. A chairman of the Board (the “**Chairman**”) shall be elected from among the Directors and appointed in term by a majority of the Directors present at a Board meeting attended by at least two-thirds of all of the Directors then in office. The Chairman shall externally represent the Company and internally preside as the chairman at every Board meeting and at every general meeting convened by the Board. In the event the Chairman is not present at a meeting or cannot or will not exercise his power and authority for any cause, he shall designate one of the Directors to act on his behalf. In the absence of such designation, the Directors present at the meeting shall elect from among themselves an acting chairman.
70. The remuneration of a Director may differ from other Directors, and shall be determined by the Board, regardless of the Company profits or losses of respective years, based on (i) the extent of a Director's involvement with the operations of the Company, (ii) the contribution of a Director to the Company, (iii) the prevailing industry standard and (iv) such other relevant factors.
71. When the number of Directors then in office falls below five (5) due to any Director(s) vacating his office for any reason, the Company shall hold an election for such number of Directors at the next general meeting to fill the vacancy for the remainder of the term of such outgoing Director(s). When the number of Directors then in office falls short by one-third of the total number of Directors initially constituting the existing Board, the Company shall convene an extraordinary general meeting within sixty (60) days of the occurrence of that fact for the purposes of electing such number of Directors to fill the casual vacancy.



72. Subject to these Articles, a Director other than an Independent Director may hold any other office (except that of Auditor) or place of profit under the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine, and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.
73. (1) Without prejudice to the duties owed by a Director to the Company under common law of the Cayman Islands and subject to the Law, the Directors shall assume fiduciary duties to the Company and without limitation, the due care of a good administrator, and exercise due care and skill in conducting the business operation of the Company. A Director may be liable to the Company if he acts contrary to his duties. In circumstances where a Director breaches any of such duties and acts for his/her or other Person's interest, the Company may, with the sanction of an Ordinary Resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover any and all earnings derived from such act as if such misconduct is done for the benefit of the Company.
- (2) If a Director violates any law in the course of conducting the business of the Company, he shall be jointly and severally liable with the Company for the damages resulting from such violation.
- (3) The preceding two Paragraphs of this Article shall apply, mutatis mutandis, to the officers of the Company who are authorised to act on its behalf in a senior management capacity.
74. Subject to these Articles, a Director other than an Independent Director may act by himself or his firm in a professional capacity for the Company (except that of Auditor), and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
75. To the extent permitted by the Law, the Company may pay, or agree to pay, a premium in respect of a contract insuring each of the following persons against risks determined by the directors, other than liability arising out of that person's negligence and/or dishonestly: an existing or former director (including alternate director), secretary or officer or Auditor of: the Company; a company which is a subsidiary of the Company; and a company in which the Company has or had an interest (whether direct or indirect).
76. During the Relevant Period, the qualifications, election, removal, power, authority and other requirements for Directors (including Independent Directors), which are not covered by these Articles, shall be in compliance with the Applicable Listing Rules.

INDEPENDENT DIRECTORS



77. During the Relevant Period, the number of Independent Directors of the Company shall not be less than three (3) or one-fifth of the total number of Directors at any time, whichever is greater. One (1) of the Independent Directors shall have resident status of the R.O.C. (such resident status being registered with local government authorities). Subject to the foregoing, the number of Independent Directors to be elected and hold the office shall be stated in the notice of the general meeting in which an election of Independent Directors will be held. When an Independent Director ceases to act, resulting in a number of Independent Directors then in office lower than the prescribed minimum number, an election for an Independent Director shall be held at the next general meeting. When all Independent Directors cease to act, the Company shall convene an extraordinary general meeting to hold an election of Independent Directors within sixty (60) days from the date on which the situation arose.
78. Independent Directors shall possess professional knowledge and shall maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions held by the Independent Directors shall be as prescribed by the Applicable Listing Rules, and the assessment of independence of such Independent Directors shall be in compliance with the Applicable Listing Rules. The Board or other Persons calling a general meeting at which an election for Independent Directors is proposed shall ensure that the requirements of this Article have been satisfied and complied with in relation to any candidate for Independent Director.

POWERS AND DUTIES OF THE BOARD

79. Subject to the Law, these Articles, the Applicable Listing Rules and any resolutions passed in a general meeting, the business of the Company shall be managed by the Board in such manner as it shall think fit, which may pay all reasonable expenses in connection with business management, including but not limited to expenses incurred in forming and registering the Company and may exercise all powers of the Company. Except as otherwise provided by these Articles, the compensation to be paid to the Directors shall be determined by the Board in accordance with the standard prevalent in the industry by reference to recommendation made by the remuneration committee (if established). Such compensation shall be deemed to accrue from day to day, and the Directors shall also be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from Board meetings of the Directors, or any committee established under Article 82, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Board from time to time, or a combination partly of one such method and partly the other.
80. The Board may from time to time appoint any Person to hold such office in the Company as the Board may think necessary for the management of the Company, including but not limited to officers and managers, and for such term and at such remuneration as the Board may think fit. Any Person so appointed by the Board may be removed by the Board.
81. The Board may appoint a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as the Board thinks fit. Any Secretary or assistant Secretary



so appointed by the Board may be removed by the Board. The Secretary shall attend all general meetings and shall keep correct minutes of such meetings. Subject to the Applicable Listing Rules, the Secretary shall also perform such other duties as are prescribed by the Law or as may be prescribed by the Board.

COMMITTEES

82. Subject to the Law and the Applicable Listing Rules, the Board may, or the Company may by an Ordinary Resolution, establish any committee(s) and delegate any of their powers, authorities and discretions to such committee(s) (including but not limited to an audit committee and a remuneration committee) consisting of such member or members of their body or any other Persons as the Board thinks fit. Any committee(s) so formed shall, in the exercise of the powers, authorities and discretions so delegated, and in conducting its proceedings, conform to any regulations that may be imposed on it by the Board pursuant to the Applicable Listing Rules. If no regulations are imposed by the Board, the proceedings of a committee with two (2) or more members shall be, as far as is practicable, governed by these Articles regulating the proceedings of the Board.
- 82.1(1) During the Relevant Period, unless otherwise provided by the Law and the Applicable Listing Rules, the Company shall establish an audit committee; regulations governing the professional qualifications for its members, the formation of audit committee, the exercise of their powers of office, and related matters shall be prescribed and amended from time to time by the Board in accordance with the Applicable Listing Rules.
- (2) The audit committee of the Company shall be composed of all the Independent Directors. The audit committee shall not be fewer than three Persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise. A resolution of the audit committee shall have the concurrence of one-half or more of the members of the audit committee.
- (3) The following matters shall be subject to the consent of one-half or more of all members of the audit committee of the Company and shall be thereafter submitted to the Board for a resolution:
- (a) Adoption or amendment of an internal control system.
 - (b) Assessment of the effectiveness of the internal control system.
 - (c) Adoption or amendment of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
 - (d) A matter bearing on the personal interest of a Director.
 - (e) A material asset or derivatives transaction.



- (f) A material monetary loan, endorsement, or provision of guarantee.
 - (g) The offering, issuance, or Private Placement of any equity-type securities.
 - (h) The hiring or dismissal of an Auditor, or the compensation given thereto.
 - (i) The appointment or discharge of a financial, accounting, or internal auditing officer.
 - (j) Annual and semi-annual financial reports.
 - (k) Any other material matter so required by the Company or the competent authority.
- (4) With the exception of Subparagraph (j) above, any matter under a subparagraph of the preceding Paragraph that has not been approved with the consent of one-half or more of all members of the audit committee of the Company may be undertaken upon the approval of two-thirds or more of the Directors, without regard to the restrictions of the preceding Paragraph, and such resolution of the audit committee of the Company shall be recorded in the minutes of the Board meeting.
- 82.2(1) During the Relevant Period, unless otherwise provided by the Law and the Applicable Listing Rules, the Company shall establish a remuneration committee; regulations governing the professional qualifications for its members, the formation of remuneration committee, the exercise of their powers of office, and related matters shall be prescribed and amended from time to time by the Board in accordance with the Applicable Listing Rules. Remuneration referred to in this Paragraph shall include salary, stock options, and any other substantive incentive measures for Directors and managerial officers under the Law or the Applicable Listing Rules.
- (2) The members of the remuneration committee of the Company shall be appointed by the Board and shall not be fewer than three members, one of whom shall be the convener.
- (3) The remuneration committee of the Company shall exercise the care of a good administrator and in good faith when performing the official powers listed below, and shall submit its recommendations for deliberation by the Board:
- (a) Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for Directors and officers.
 - (b) Periodically evaluate and prescribe the remuneration of Directors and officers.
 - (c) Any other material matter so required by the Company or the competent authority.

DISQUALIFICATION AND VACATION OF OFFICE OF DIRECTORS



83. (1) During the Relevant Period, a person who is under any of the following circumstances shall not act as a Director of the Company; if he has already held office of a Director, he shall cease to act as a Director and be removed from the position of Director automatically:
- (a) commits a felony (including but not limiting to an offence under Statute for Prevention of Organizational Crimes of the R.O.C.) and has been convicted thereof, and has not started serving the sentence, has not completed serving the sentence, or the time elapsed after completion of serving the sentence, expiration of the probation, or pardon is less than five (5) years;
 - (b) has been imposed a final sentence involving imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and has not started serving the sentence, has not completed serving the sentence, or the time elapsed after completion of serving the sentence, expiration of the probation, or pardon is less than two (2) years;
 - (c) has been imposed a final sentence due to violation of the Anti-corruption Act, and has not started serving the sentence, has not completed serving the sentence, or the time elapsed after completion of serving the sentence, expiration of the probation, or pardon is less than two (2) years;
 - (d) becomes bankrupt or is adjudicated of commencement of liquidation proceeding by a court under the laws of any jurisdiction, and has not been reinstated to his rights and privileges;
 - (e) has allowed cheques and other negotiable instruments to be dishonoured and the records thereof have not been cancelled or expunged by the relevant regulatory authorities;
 - (f) dies or an order has been made by any competent court or authority on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and such order has not been revoked, or his legal capacity is restricted according to the applicable laws;
 - (g) ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under any provisions of the Law and/or Applicable Listing Rules;
 - (h) ceases to be a Director by virtue of Article 84;
 - (i) resigns his office by notice in writing to the Company;
 - (j) is removed from office pursuant to these Articles; or
 - (k) has been ordered to be removed from office by the R.O.C. Courts on the grounds that such Director, in the course of performing his duties, committed



serious violations of the Law, Applicable Listing Rules or these Articles, or acts resulting in material damage to the Company, upon a petition by the Company or Member(s) to the R.O.C. Courts.

- (2) During the Relevant Period, in case a Director (other than Independent Director) has transferred some or all his Shares during the term of his office as a Director, such that the remaining Shares held by him are less than one half of the Shares being held by him at the time he was elected, he shall, ipso facto, cease to act as a Director and be removed from the position of Director automatically.
 - (3) During the Relevant Period, if a Director (other than Independent Director), (a) after having been elected and before his inauguration of the office of a Director, has transferred some or all his Shares held by him such that the remaining Shares are less than one half of the Shares held by such Director at the time of his election or, (b) within the Book Closure Period fixed by the Board in accordance with Article 28(2) prior to the general meeting for the election of such Director, has transferred some or all his Shares held by him such that the remaining Shares are less than one half of the Shares held at the commencement of the Book Closure Period, his election as a Director shall be deemed invalid and void.
84. Except as approved by the Commission, the TPEX or the TWSE (where applicable), the following relationships shall not exist among half or the majority of the Directors: (a) a spousal relationship; or (b) a familial relationship within the second degree of kinship as defined under the Civil Code of Taiwan. If any of the foregoing relationships exists among half or the majority of the elected Directors, the election with respect to the one who received the lowest number of votes among those related Directors shall be deemed invalid and void; and if he has already held office of a Director, he shall cease to act as a Director and be removed from the position of Director automatically. For the remaining Directors, if the foregoing requirements are still not satisfied, the same procedure set out above shall be applied again to the remaining related Directors, until such time as the foregoing requirements can be complied with.
85. In case a Director has, in the course of performing his/her/its duties, committed any act resulting in material damage to the Company or in serious violation of the Law, the Applicable Listing Rules or these Articles, but has not been removed from office by a resolution in a general meeting, one or more Members holding three percent (3%) or more of the total number of issued Shares of the Company may, within thirty (30) days after that general meeting, submit a petition to a competent court, including the Taiwan Taipei District Court of the R.O.C., but only if and to the extent permitted under the Law and the Applicable Listing Rules, for removing such Director from office.
86. Subject to the Law, one or more Members holding one percent (1%) or more of the total number of the outstanding Shares continuously for a period of six months or a longer time may request in writing any Independent Director of the Audit Committee to file, on behalf of the Company, an action against a Director who has, in the course of performing his/her duties, committed any act resulting in damage to the Company or in violation of the Law, the Applicable Listing Rules or these Articles, with a competent court, including the Taiwan



Taipei District Court of the R.O.C. In case the Independent Director fails to file such action within thirty (30) days after receipt of such request, to the extent permitted under the laws of the Cayman Islands, the Members making such request may file the action for the Company.

PROCEEDINGS OF THE BOARD

87. The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate and shall from time to time establish internal rules in this regard, which shall be in compliance with the Law and the Applicable Listing Rules. During the Relevant Period, the Board meetings shall be held at least once in each quarter or within such period and frequency as may be prescribed by the Applicable Listing Rules. The quorum necessary for the transaction of the business of the Board shall be a majority of the Directors. Subject to the Law, the Applicable Listing Rules and these Articles, any matter proposed for consideration and approval at a Board meeting shall be decided by a majority of votes entitled so to do.
88. A Director may, and the Secretary on the requisition of a Director shall, summon a Board meeting by, during the Relevant Period, at least seven (7) days' notice in writing, or at any time other than during the Relevant Period, at least forty eight hours' notice in writing, to every Director which notice shall set forth the general nature of the business to be considered PROVIDED HOWEVER, without prejudice to the prescribed notice, in the event of emergency, as determined by the Board in its sole discretion, a Board meeting may be called at any time if this has been agreed to by a majority of the Directors at such meeting. Notwithstanding the foregoing, at any time other than during the Relevant Period, a notice of Board meeting may be waived by all the Directors at, before or retrospectively after the relevant Board meeting is held. Any notice or waiver thereof may be given by email, telex or telefax.
89. A Director may participate in a meeting of Board, or of any committee appointed by the Board of which such Director is a member, by means of visual communication facilities which permit all Persons participating in the meeting to see and communicate with each other simultaneously and instantaneously, and such participation shall be deemed to constitute presence in person at the meeting.
90. A Director may appoint another Director as his proxy to attend a meeting of the Board in writing with regard to a particular meeting, and state therein the scope of authority with reference to the subjects to be discussed at such meeting, in which event the presence and vote of the proxy shall be deemed to be that of the Director appointer. No Director may act as proxy for two (2) or more other Directors. Subject to these Articles, if a Director attends a Board meeting on his behalf and as the proxy of another Director, he is entitled to vote both as a proxy and for his own.
91. A Director who is in any way, whether directly or indirectly, interested in a matter discussed, considered or proposed in a meeting of the Board shall declare the nature of his interest and its essential contents at such relevant meeting. Where the spouse, a blood relative within the second degree of kinship of a Director as defined under the Civil Code of Taiwan, or any



company which has a controlling or subordinate relation with a Director bear any interest in the matter under discussion at a Board meeting, such Director shall be deemed to bear a personal interest in the matter. Any Director who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a meeting of Board shall abstain from voting, on his own behalf or as a proxy or corporate representative, with respect to the said matter. Any and all votes cast by such Director(s) shall not be counted in determining the number of votes for or against such matter.

92. Subject to these Articles, the continuing Directors may act notwithstanding any vacancy in their body.
93. Notwithstanding anything to the contrary provided for in these Articles, at any time other than during the Relevant Period, a resolution in writing signed by all of the Directors then in office or all of the members of a committee of Directors, including a resolution signed in counterpart or by way of signed email, telex or telefax transmission, shall be as valid and effectual as if it had been passed at a Board meeting or of a committee of Directors duly called and constituted.
94. The proceedings regarding Board meetings not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by the Board and reported to the Members at a general meeting from time to time, which shall be in compliance with the Law and the Applicable Listing Rules (in particular, the Regulations Governing Procedure for Board of Directors Meetings of Public Companies of the R.O.C.).

RESERVES AND CAPITALISATION

95. During the Relevant Period, the Company shall set aside out of the profits of the Company for each financial year: (a) a reserve for payment of tax for the relevant financial year; and (b) an amount to offset losses incurred in previous year(s); and (c) a Statutory Reserve in accordance with the Applicable Listing Rules, and after the aforesaid sums as set aside from the profits for such relevant financial year for any purpose to which the profits of the Company may be properly applied, the Board shall, before recommending any dividend or bonuses, set aside the remaining profits of the Company in whole or in part for the relevant financial year as a special reserve or reserves in accordance with the order from the Commission, and the Company may also, under these Articles or by Special Resolution of the general meeting, set aside another sum as a special reserve or reserves (collectively, the **"Special Reserve"**).
96. Unless otherwise provided in the Law, the Applicable Listing Rules and these Articles, neither the Statutory Reserve nor the Capital Reserve shall be used except for offsetting the losses of the Company. The Company shall not use the Capital Reserve to offset its capital losses unless the Statutory Reserve and Special Reserve set aside for purposes of loss offset is insufficient to offset such losses.
97. (1) During the Relevant Period, subject to the Law, where the Company incurs no loss, it



may, by a Special Resolution, distribute its Statutory Reserve, the Share Premium Account and/or the income from endowments received by the Company, which are in the Capital Reserve which are available for distribution, in whole or in part, by issuing new, fully paid Shares and/or by cash to its Members.

- (2) At any time other than during the Relevant Period, subject to the Law, the Board may capitalise any sum for the time being standing to the credit of the Share Premium Account or any of the other Company's reserve accounts which are available for distribution or any sum standing to the credit of the profit and loss account or otherwise available for distribution and to appropriate such sums to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend//bonus and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid.

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

COMPENSATION, DIVIDENDS AND BONUSES

99. At any time other than during the Relevant Period, subject to the Law and these Articles and except as otherwise provided by the rights attaching to any Shares, the Board may from time to time declare dividends/bonuses (including interim dividends/bonuses), and other distributions to the Members by issuing new, fully paid Shares and/or by cash in proportion to the number of Shares held by them respectively and authorise payment of the same out of the funds of the Company lawfully available therefore. The Directors may, before declaring any dividends, bonuses or distributions, set aside such sums as they think proper as a reserve or reserves which shall at the discretion of the Directors, be applicable for any purpose of the Company and pending such application may, at the like discretion, be employed in the business or investments of the Company.
- 100.(1) As the Company is in the growing stage, the dividend/bonuses of the Company may be distributed in the form of cash dividends/bonuses and/or stock dividends/bonuses. The Company shall take into consideration the Company's capital expenditures, future expansion plans, and financial structure, funds requirement and other plans for sustainable development needs in assessing the amount of dividends/bonuses the Company wish to distribute.
- (2) During the Relevant Period, subject to the Law, the Applicable Listing Rules and these Articles, where the Company has annual profits at the end of a financial year, upon the approval of a majority of the Directors present at a meeting attended by at least two-thirds or more of the total number of the Directors, the Company may



distribute not less than one percent (1%) of the profits for such year to the Employees as the Employees' compensation in the form of shares and/or in cash and may distribute not more than one percent (1%) hereof to the Directors as the Directors' compensation, provided, however, that the total amount of accumulated losses of the Company (including adjusted undistributed profits) shall be reserved from the said profits in advance, and the Company shall distribute the remaining balance thereof to the Employees and Directors in the proportion set out above. A report of such distribution of Employee and Directors' compensation shall be submitted to the general meeting of the Company. Except otherwise set forth by the Applicable Listing Rules, any Directors' compensation shall not be paid in the form of shares. The term "annual profits" as used herein shall mean the annual profits for such year before tax without deducting the amount of compensation distributed to the Employees and Directors as prescribed in this Paragraph (2) of this Article.

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



- (7) Subject to the Law and the Applicable Listing Rules, any Special Reserve may be reversed to undistributed profits of the Company.
101. During the Relevant Period, subject to the Law, the Applicable Listing Rules and these Articles, the Company may by a Special Resolution distribute any part or all of the dividends or bonuses to the Members declared in accordance with the preceding Article by way of applying such sum in paying up in full unissued Shares for allocation and distribution to the Members.
102. No dividend, bonus or other distribution shall be paid otherwise than out of profits or out of monies otherwise available for dividend, bonus or other distribution in accordance with the Law. No dividend, bonus or other distribution or other money payable by the Company on or in respect of any Share shall bear interest against the Company.

ACCOUNTS, AUDIT, AND ANNUAL RETURN AND DECLARATION

103. The Directors shall cause to be kept accounting records and books of account sufficient to give a true and fair view of the state of the Company's affairs and to show and explain the transactions of the Company and otherwise in accordance with the Law, at the Registered Office or at such other place(s) in such manner as may be determined from time to time by the Board and shall always be open to the inspection by the Directors.
104. During the Relevant Period, at the end of each financial year, the Board shall prepare: (a) the business report; (b) the financial statements which include all the documents and information as required by the Law and the Applicable Listing Rules (the "**Financial Statements**"); and (c) any proposal relating to the distribution of net profit and/or loss offsetting in accordance with these Articles, for adoption by the annual general meeting of the Company. Upon adoption at the annual general meeting of the Company, the Board shall distribute to each Member copies of the Financial Statements and the resolutions relating to profit distribution and/or loss offsetting. However, during the Relevant Period, the Company may make a public announcement of the abovementioned statements and resolutions instead of distributing those to each Member.
105. During the Relevant Period, the documents prepared by the Board in accordance with the preceding Article shall be made available at the Shareholder Service Agent's office in the R.O.C. for inspection during normal business hours by the Members, ten (10) days prior to the annual general meeting.
106. Subject to the Law and the Applicable Listing Rules, the Board may determine (or revoke, alter or amend any such determination) that the accounts of the Company be audited and the appointment of the Auditors.
107. During the Relevant Period, the Board shall keep copies of the Memorandum, these Articles, the minutes of every general meeting, the Financial Statements, the Register and the counterfoil of corporate bonds issued by the Company at its Shareholder Service Agent's office in the R.O.C. Any Member may request at any time, by submitting evidentiary document(s) to show his interests involved and indicating the scope of



requested matters, access to inspecting, transcribing and making copies of the above documents; the Company shall make Shareholder Service Agent provide the above documents.

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

TENDER OFFER

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

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

WINDING UP

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



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

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

NOTICES

113. Subject to the Law and except as otherwise provided in these Articles, any notice or document may be served by the Company to any Member either personally, or by facsimile, or by sending it through the post in a prepaid letter or via a recognised courier service, fees prepaid, addressed to such Member at his address as appearing in the Register, or, to the extent permitted by the Law and the Applicable Listing Rules, by posting it on a website designated by the Commission, the TPEX or the TWSE (where applicable) and/or the Company's website, or by electronic means by transmitting it to any electronic mail number or address such Member may have positively confirmed in writing for the purpose of such service of notices. In the case of joint Members, all notices shall be given to that one of the Members whose name stands as their representative in the Register in respect of the joint holding.
114. Any Member present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting including the purpose for which such meeting was convened.
115. Any notice or other document, if served by:
- (a) post, shall be deemed to have been served on the day following that on which the letter containing the same is posted or delivered to the courier;
 - (b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;
 - (c) courier service, shall be deemed to have been served forty-eight (48) hours after the time when the letter containing the same is delivered to the courier service; or
 - (d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail, subject to the Law.



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

REGISTERED OFFICE OF THE COMPANY

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

FINANCIAL YEAR

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

SEAL

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

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

- 120.(1) Subject to the provisions of the Applicable Listing Rules, the Company shall, by a resolution of the Directors, appoint or remove a person as its litigation and non-litigation agent and such agent will be deemed as the responsible person of the Company in the R.O.C. under the Applicable Listing Rules.
- (2) The preceding agent shall have residence or domicile in the R.O.C.
- (3) The Company shall report the name, residence/domicile of the preceding agent and power of attorney to the competent authority in the R.O.C. This reporting requirement shall also apply if there is any change.

CHANGES TO CONSTITUTION

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

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Yonggu Group Inc
Rules of Procedures for Shareholders' Meetings

Enacted on February 23, 2018

Revised on June 27, 2019

Article 1 This policy has been established in accordance with Article 5 of the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” to enhance shareholders' governance, supervision, and management over the Company.

Article 2: Unless otherwise specified by law or the Articles of Incorporation, Shareholder Meetings of the Company shall proceed according to the terms of this policy.

Article 3: (Convening shareholders' meetings and shareholders' meeting notices) Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the board of directors. If the Board of Directors or other convening power holders convene a shareholders' meeting, they shall request the Company or the Company's stock agency to provide a register of shareholders.

During the listing period (the definition is as detailed in the Company's Articles of Association; same as below), the Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of the ordinary shareholders' meeting or 15 days before the date of the extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the ordinary shareholders' meeting or 15 days before the date of the extraordinary shareholders' meeting. 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place. During the non-listing period, a notice to convene a shareholders' meeting shall be given to each shareholder no later than 5 days prior to the scheduled meeting date.

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

Matters pertaining to election or dismissal of Directors (Including Independent Directors), alteration of the Articles of Association, reduction of capital, cancellation of repurchased shares as set forth in Paragraph 1, Article 24 of the Company's Articles of Incorporation, application for the approval of ceasing its status as a public company, the dissolution, merger, or demerger of the corporation, or any matter as set forth in Paragraph 1, Article

185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" shall be itemized in the cause, shall be explained in the notice to convene a shareholders' meeting, and shall not be raised as extemporaneous motions. These essential contents shall be posted on the website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice.

During the listing period, a shareholder holding 1% or more of the total number of issued shares may submit to the Company a written or electronic proposal for discussion at an ordinary shareholders' meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, except the circumstances of any Subparagraph of Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may include it in the agenda. A shareholder proposal proposed for urging the Company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at an ordinary shareholders' meeting by the Board of Directors despite the circumstances stipulated in Paragraph 4 of Article 172-1 of the Taiwan Company Act.

During listing period, prior to the book closure date before an annual general meeting is held, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for acceptance of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting and take part in discussion of the proposal.

The Company shall, prior to the delivery of the shareholders' meeting notice, inform all the shareholders submitting proposals of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in the Rules. At the shareholders' meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4: For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder shall provide one proxy form to appoint one proxy. The form shall be delivered to the Company five days prior to the date of the shareholders' meeting. When more than one proxy forms are delivered, the one received earliest shall prevail. However, this restriction does not apply to the withdrawal of prior proxy engagements.

After the letter of appointment is submitted to the Company, in case the shareholder issuing the said letter of appointment intends to attend the shareholders' meeting in person

or to exercise his/her voting rights in writing or electronically, a proxy rescission notice shall be filed with the Company 2 days in writing prior to the date of the shareholders' meeting; otherwise, the voting rights exercised by the proxy at the meeting shall prevail.

Article 5: (Principles determining the time and place of a shareholders' meeting) The venue at which a shareholders' meeting is convened shall be the location of the Company or a convenient and suitable location. The starting time of the meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m. The opinions of the Independent Directors regarding the place and time shall be fully considered.

Article 6: (Preparation of documents such as the attendance book) The Company shall specify in its shareholders' 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. Shareholders and their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. the Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials.

Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person has been delegated to attend the shareholders' meeting, only one person should be delegated as proxy.

Article 7 (The chair and non-voting participants of a shareholders' meeting) If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding

paragraph, the managing director or 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.

Shareholders' meetings convened by the Board of Directors shall be held in person. The Chairman shall be held in person. The Board of Directors shall attend more than half of the Board meetings and attend a majority of the functional Committees members, and shall record the attendance of the meeting at least one meeting.

If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8 (Documentation of a shareholders' meeting by audio or video) 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 Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9 The attendance at the shareholders' meeting shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time. However, when 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 1 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.

Article 10 (Discussion of proposals) If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting

adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The Chairman shall allow ample opportunity during the meeting for explanation and discussion of the proposals and of the amendments or extraordinary motions put forward by the shareholders; when the Chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the Chairman may announce the closure of the discussion and call for the vote.

Article 11 (Shareholder speech) Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

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

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12 (Calculation of voting shares and recusal system) Voting at a shareholders' meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

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

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending

shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13 A shareholder shall be entitled to one voting right for each share held, except when the shares are restricted shares or are deemed non-voting shares under the Articles of Association or laws and regulations.

When the Company convenes a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. Except as otherwise specified in the Company's Articles of Association, a shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

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

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

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the adoption of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the Chairman or a person designated by the Chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by

a poll of the shareholders. During the listing period, after the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. 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.

Article 14 (Election of directors and supervisors) The election of directors or supervisors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 15 Shareholder Meeting resolutions shall be compiled into detailed minutes, and signed or sealed by the chairperson, and disseminated to each shareholder by no later than 20 days after the meeting. The production and distribution of the meeting minutes may be effected by electronic means.

During listing period, the distribution of the meeting minutes as described in the preceding paragraph can be done through a public announcement on the Market Observation Post System.

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

Article 16 (Public disclosure) On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.

During the listing period, if matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock

Exchange Corporation (or GreTai Securities Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 (Maintaining order at the meeting place) Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

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

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

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

Article 18 (Recess and resumption of a shareholders' meeting) When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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

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

Article 19 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

Yonggu Group Inc

Directors' Shareholding Status

- I. The amount of legally held shares of the current directors and supervisors of the Company are as follows:

As of May 2, 2020, the date for suspension of share transfer for a shareholders' meeting, the Company issued 68,075,000 ordinary shares, the legal held shares of all directors was 5,446,000 shares (Note); the legal held shares of all supervisors should hold, the Company has established Audit Committee, thus it is not applicable.

- II. As of May 2, 2020, the date for suspension of share transfer for a shareholders' meeting, the number of shares held by all directors is as follows:

Title	Name	Shares	%
Chairman	Kuo-Chuan, Chien	12,887,694	18.93
Directors	Gains Investment Corporation Representative: Hung-Tsung, Hsiao	568,750	0.84
Directors	Mei-Chieh, Ching	0	0
Directors	Chieh-Yuan, Weng	12,500	0.02
Independent Director	Ping-Hsi, Chang	0	0
Independent Director	Shih-Ying, Chen	0	0
Independent Director	Chung-Ping, Li	0	0
Number and percentage of shares held by all Directors		13,468,944	19.79
Number and percentage of shares held by all Supervisors		N/A	

(Note) According to Article 26 of the Securities and Exchange Act and Article 2 of Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the total registered shares owned by all directors shall not be less than ten percent of the total issued shares and the Company has elected three independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors and supervisors other than the independent directors and shall be decreased by 20 percent.