

Polaris Group

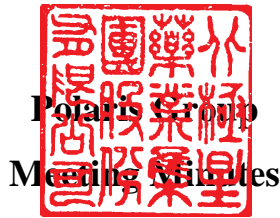
2024 Annual Shareholders' Meeting Minutes (Translation)

Notice to readers

This English translation is provided for reference only. In case of any discrepancies, the original Chinese version shall prevail.

Time: 9:00 a.m. on May 3, 2024 (Friday)

Location: Rm. 211+212, 2F., No. 335, Ruiguang Rd., Neihu Dist., Taipei
City (t.Hub Taipei)



Polaris Group

Meeting Minutes

for the 2024 Annual General Meeting

Time: 9:00 a.m. on May 3, 2024 (Fri.)

Place: Rm. 211+212, 2F., No. 335, Ruiguang Rd., Neihu Dist., Taipei City (t.Hub Taipei)

Mode of Meeting Convening: Physical Meeting

Present:

The total outstanding shares: 744,420,732 shares

The total shares represented by shareholders present in person or by proxy: 511,481,117 shares.

The percentage of shares held by shareholders present in person or by proxy: 68.70 %

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum.

Chairman: Howard Chen



Recorder: Kay Huang



Board Members Present: Howard Chen, Steve J.P. Hsu (Representative of Digital Capital Inc.), Samuel Chen

Independent Directors Present (Member of Audit Committee): Way, Tzong Der

Attendance:

Hermes Kung for and on behalf of Global Network Commerce Legal

Wendy Liang for and on behalf of PwC Taiwan

1. Call the Meeting to Order :

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

2. Chairman Address: (Omitted)

3. Reported Matters

Report No.1 2023 Business Reports and Financial Statements.

Explanation: The 2023 Business Reports and Financial Statements are attached at Pages 7-12, Appendix 1.

Report No. 2 2023 Audit Committee's Review Report .

Explanation: 2023 Audit Committee's Review Report is attached at Page 13, Appendix 2.

Report No.3	Report on the Implementation of Sound Business Plan.
Explanation:	<p>This report is based on Taipei Exchange Letter No.: Securities-Counter-Audit-1040037369, point 5, dated January 19, 2016, “The implementation of the sound business plan shall be reported to the Board of Directors quarterly for management and then be proposed on the shareholders’ meeting”.</p> <p>The Company’s new drug is still under the R&D stage, resulting in no revenue and loss. In order to improve its operation and make up losses, the Company adheres to its primary goal of obtaining global new drug license in the shortest time.</p> <p>In November 2023, the Company’s mesothelioma clinical trial has been subject to the application for mesothelioma drug license on a rolling basis to the FDA. It is expected to complete the submission of all relevant information about the drug license in 2024, and actively obtain the Priority Review qualification from US FDA.</p> <p>Soft tissue sarcoma is a US multi-center clinical trial funded by Washington University in St. Louis, USA (Polaris Group only offers ADI-PEG 20). The Phase III clinical trial plan of this trial was approved by US FDA and Taiwan FDA in 2023, and now 7 patients are enrolled worldwide.</p> <p>Hepatic cell carcinoma: In order to expand the enrollment of patient and accelerate the clinical trial, the Company modified its enrollment condition in May 2023 into the screening by arginine concentration. Hepatic cell carcinom was treated with ADI-PEG 20, a new metabolic therapy. The trial is a randomized, double-blind design, involving patients from multiple countries and centers. It is expected to increase the number of participants to 300, and a memorandum of understanding with the National Cancer Hospital of Vietnam is expected to commence.</p> <p>The clinical trial for Glioblastoma was ADI-PEG 20 combined with radiation therapy and Temozolomide for Glioblastoma multiforme (GBM). This change was originally a Phase I clinical trial, and after completing this stage, the evaluable subjects were enrolled. It has been changed to a double-blind trial with a control placebo group, randomized allocation. It is expected to expand the trial scale and collect patients from multiple countries and centers, with an estimated global number of 100 patients. This trial was led by Taiwan Linkou Chang Gung Memorial Hospital, and the first patient in the GBM Phase II trial was administered in August 2023.</p>
Report No. 4	Proposal for the 2023 Directors’ Remuneration.
Explanation:	<p>The Company’s policy on the remuneration of directors is in accordance with Article 79 of the Articles of Incorporation, in pursuance of the “Regulations Governing the Performance Evaluation of the Board of Directors” and “Regulations Governing the Payment of Directors’ Remuneration”, taking into account the level of participation and contribution of individual directors to the Company’s business operations or significant negative events, etc., and making reference to the regular standard of the industry and other relevant reasons considered appropriate</p>

by the Remuneration Committee and the Board. The policy is then subject to the recommendation proposed by the Remuneration Committee and approval of the Board before the execution. 2023 Details of individual directors' remuneration are set out on page 28 of Appendix 4 to this Report.

4. Proposed Matter

1: (Proposed by the Board)

Proposal: Adoption of the 2023 Business Report and Financial Statements.

Explanation: 1. The Company's 2023 annual business report and financial statements have been approved by the Board, and the financial statements have been audited by Accountants, Wendy Liang and Alan Chien of PwC Taiwan. Also, Business Report and Financial Statements have been reviewed by the Audit Committee.
2. For the above Business Report, Independent Auditors' Report and Financial Statements, please refer to Pages 7-12 of Appendix 1 and Pages 14-27 of Appendix 3.
3. It's hereby submitted for adoption.

Resolution: The voting results are as follows- 511,481,117 votes were represented at the time of voting, 488,074,778 votes in favor, 1,106,990 votes against, 0 votes invalid, and 22,299,349 votes abstained. The votes in favor accounted for 95.42% of the votes of the shareholders present. The above proposal be and hereby was approved as proposed.

2: (Proposed by the Board)

Proposal: Adoption of the Proposal for 2023 Deficit Compensation.

Explanation: 1. The net loss after tax in 2023 was NT\$1,576,694 (in thousands) and the accumulated deficit of prior year was NT\$10,572,795 (in thousands) and the accumulated deficit yet to be compensated was NT\$12,149,489 (in thousands). Please refer to the table below for the Deficit Compensation Statement.

Deficit Compensation Statement


(Unit: Thousand TWD)

Items	Amount
Unappropriated accumulated deficit of prior years	(10,572,795)
Add: 2023 net loss after tax	(1,576,694)
Deficit yet to be compensated – at the end of 2023	(12,149,489)

Chairman: Howard Chen General Manager: Steve J.P. Hsu Accounting Supervisor: Kay Huang



2. It's hereby submitted for adoption.

Resolution: The voting results are as follows- 511,481,117 votes were represented at the time of voting, 487,910,857 votes in favor, 1,276,564 votes against, 0 votes invalid, and 22,293,696 votes abstained. The votes in favor accounted for 95.39% of the votes of the shareholders present. The above proposal be and hereby was approved as proposed.

5. Election Matters

1: (Proposed by the Board)

Proposal: Proposed to the by-election of one independent director.

Explanation: 1. Mr. Tai, Chang-Hui, the Company's independent director resigned on August 29, 2023, and in accordance with Article 72 of the Company's Articles of Incorporation, it's proposed to elect 1 independent director at the 2024 General Meeting of Shareholder. The Company shall adopt a candidate nomination system for the election of independent directors, which shall be selected by the Board of Shareholders from the list of candidates for independent directors.

2. The newly elected independent director shall take office immediately after his/her election and serve for the remainder of his/her original term of office from May 3, 2024 to June 11, 2026.

3. The list of candidates for independent Director was approved by the Board of Directors of the Company on March 12, 2024, and shareholders shall elect the candidates for independent director from the list, please refer to page 29 of Appendix 5 for that.

4. It's hereby submitted for election.

Result of election:		
Office Held	Name	Elected votes
Independent director	Wen, Kuo-Lan (Karen Wen)	486,792,985

6. Other Matters

1: (Proposed by the Board)

Proposal: Release the Prohibition on Independent Directors from Participation in Competitive Business.

Explanation: 1. The director Karen Wen, who represented herself or others within the scope of the Company's business. Without prejudice to the interests of the Company, it is proposed to request the general meeting of shareholders to lift the ban on directors from participating in competitive business in accordance with the provisions of Article 209 of the Company Act.

2. The list of directors who are requested to release the prohibition from participating in competitive business is as follows:

Name	Experience/Education	Present Positions
Karen Wen	<ul style="list-style-type: none"> • Ph.D., Old Dominion University/Eastern Virginia Medical School, US • Bachelor of Chemistry, NTU • (incumbent) of GenomeFrontier Therapeutics TW Co., Ltd. • General Manager/Co-founder of MYCENAX BIOTECH INC. • Special Assistant to General Manager of TAIWAN ADVANCE BIO-PHARMACEUTICAL INC. • Research of Biotechnology Center /R&D Supervisor of Immunoreagent Factory 	<ul style="list-style-type: none"> • COO/CSO of Genome Frontier Therapeutics TW Co., Ltd.

Resolution: The voting results are as follows- 511,481,117 votes were represented at the time of voting, 487,554,606 votes in favor, 1,659,043 votes against, 0 votes invalid, and 22,267,468 votes abstained. The votes in favor accounted for 95.32% of the votes of the shareholders present. The above proposal be and hereby was approved as proposed.

Shareholders' questions and Company's responses: (The Chairman of meeting has answered or designated appropriate persons to answer all the questions raised by shareholders.)

Shareholder No.32256: How will the company make up for its losses?

Company response: A. Authorization with international pharmaceutical companies. B. Waiting for the drug to start selling.

Shareholder No. 10136: ADI's authorization has been mentioned since last year and is expected to be authorized in 2024. However, the statement has become conservative at recent legal meetings. Are you confident that ADI's authorization will become the most eye-catching authorization case? Does Company already have customers for semaglutide?

Company response: For ADI, we hope that in the future, ADI's authorization will not be sold outright but divided into shares. For semaglutide, customers will not place an order before seeing the finished product. They will consider whether the purity is conformed to standard and whether impurities can be controlled. The technical package are expected to be released in July and provided to potential customers for evaluation. Therefore, the company expects to complete the verification of three batches by the end of this year and ensure that the manufacturing process is compliant before promoting it.

Shareholder No. 4622: GDR is canceled after being processed, and the situation of borrowing and selling in the trading market may be related to it.

Company response: After the announcement that GDR would be issued, there was a problem of short selling and borrowing in the market, which resulted in poor stock price performance. In addition, the GDR needed to be discounted, so the issuance of GDR was canceled. The company will consider other ways to raise capital in the future.

Shareholder No. 10036: Is the cooperation between UC Irvine, the National Institute of Health's mRNA Technology Platform, and Ancepodia still ongoing? Is there any cooperation with Launxp?

Company response: After in-depth research, the team found that mRNA research is in the early stages, and there is still uncertainty in the development of new drugs. After evaluation, all resources are currently focused on three clinical trials in phase III. For cooperation with Launxp, ADI and anti-cancer drugs selected by Launxp are being used for animal experiments, but this research is currently in the early trial stage, and future cooperation is limited to new drug development cooperation.

Shareholder No.5017: Will the results of the first and second phases of GBM be announced? There are many GLP-1 manufacturers at home and abroad. What are the advantages of Genovior in developing slimming needles?

Company response: GBM will release material informations is in due course depending on the clinical situation. The main suppliers of GLP-1 are originally located in France, Denmark and other European and American regions. Asia is competitive in terms of cost, and because of its high synthesis technology and low market erosion rate, the final capacity will be the decisive key factor.

Shareholder No.1837: Is the company's stock price unfair? Taking Baorui as an example, when the stock price fell, it immediately proposed to use treasury shares to defend shareholders' rights.

Company response: The management team pays more attention to the company's value. The market will give reasonable treatment after the company has fundamentals. In the future, we will strengthen the release of news and material information.

Shareholder No.3653: It is not recommended to implement treasury stocks. When PharmaEssentia implemented treasury shares, a large number of bonds were borrowed. Companies should spend money on growth rather than stock price. Can GLP-1 and ADI cooperate in development? In addition to the current three indications, will there be additional indications in the future (it has been mentioned before that indications for Leukemia or Pancreatic cancer will be added)? How will the land of the Yilan factory be treated after the acquisition of Genovir?

Company response: The problem with the cooperation between GLP-1 and ADI is that GLP-1 is cheap and ADI is expensive. For Leukemia, there are many existing drugs for blood cancer, and the recurrence rate is high. Because there is too little data to draw conclusions, so we finally decided not to do clinical trials for it. The land in Yilan has been leased out and returned to the Science Park.

7. Extemporary Motions :

There being no other business and extemporary motion, upon a motion duly made and seconded, the meeting was adjourned.

8. Adjournment: Meeting ended at 12:00 p.m.

(This Minutes of the General Meeting of Shareholders records the essentials and results of the proceedings in accordance with Paragraph 4 of Article 183 of the Company Law. The video recording of this annual shareholder's meeting shall prevail in the event of any discrepancy between this meeting minutes and the video recording.

Polaris Group 2023 Annual Business Report

We'd like to express our gratitude for shareholders for your support and trust throughout the first year of listing of Polaris Group. At this special moment, we are honored to announce that Polaris Group has launched a remarkable acquisition, which is an important strategic initiative for us.

In 2023, Polaris Group reached an important milestone with the acquisition of Genovior Biotech Corporation, which will not only take our business to the next level, but will also enable us to achieve greater innovation and breakthroughs in different therapeutic areas. By combining Polaris Group's expertise in metabolic therapies for the treatment of refractory cancers with Genovior Biotech Corporation's specialized knowledge in peptide synthesis and difficult drugs, we will create a powerful force for mutual growth.

In the future, we not only aspire to occupy a larger share of the global biopharmaceutical market, but also become a leader in the industry, leading the forefront of medical technology. We will continue to invest in research and development, promote innovation, and strive to provide patients with more effective and safer treatment options.

This acquisition is not only an expansion of our business, but also a step towards the future. We look forward to unleashing greater creativity and influence in new fields. At the same time, we are humbled and will continue to work hard to ensure that we live up to the expectations our shareholders have placed on us.

Below is a report of our R&D and clinical progress and results for 2023.

I. 2023 Business Results

(I) 2023 Business Plan Implementation Results

1. Clinical Trials of ADI-PEG 20

The Clinical Trials in progress are as follows:

Cancer Type	Stage	Lead Cancer Center	Intervention/Treatment
Soft Tissue Sarcoma	Phase III	University of Washington	ADI-PEG 20 + Gemcitabine + Docetaxel
Glioblastoma	Phase II/III	Linkou Chang Gung Memorial Hospital Taiwan / Global Coalition for adaptive Research	ADI-PEG 20 +Temozolomide + Radiotherapy
Hepatic Cell Carcinoma	Phase II/III (note)	Linkou Chang Gung Memorial Hospital Taoyuan, Taiwan	Monotherapy

Cancer Type	Stage	Lead Cancer Center	Intervention/Treatment
Acute Myeloid Leukemia	Phase I	MD Anderson Cancer Center Houston, Texas, United States	ADI-PEG 20 + Venetoclax + Azacitidine
NASH	Phase II	Linkou Chang Gung Memorial Hospital Taiwan	Monotherapy

Note: This is the clinical trial for NDA submission.

2. CDMO of drug development and production services

In June 2023, the Company increased its investment in Nanotein Technologies., Inc., with a total shareholding of approximately 55%. Polaris Group cooperates with the company to develop nanoprotein products, which are produced by our company. Nanotein Technologies., Inc. continues to develop small and medium-sized customers, further provide customer with customized technology and services, and has actively negotiated with distribution companies worldwide.

(II) Budget Spending Review

The Company only sets an internal budget plan in 2023, and does not disclose financial forecast data to the public. The overall budget spending situation generally conforms to the plan set by the Company.

(III) Financial Income and Expenditure and Profitability Analysis

The increase in revenue and operating costs compared to 2022 was primarily due to the Company's acquisition of Genovior Biotech Corporation in December 2023, with the company's financial statements consolidated into our company. Revenue and operating costs were primarily attributable to Genovior Biotech Corporation's CDMO foundry business. Operating expenses increased by 59.1% compared to 2022, mainly due to the increase in related facility costs, maintenance and correction, consultancy fees in response to the Group's drug license application, as well as the significant increase in staffing for future mass production.

Items	Unit: Thousand TWD			
	FY 2023	FY 2022	Difference	%
Operating income	7,481	6,439	1,042	16.2
Operating costs	(10,546)	(5,024)	(5,522)	109.9
Operating gross profit	(3,065)	1,415	(4,480)	(316.6)
Operating expenses	(1,843,982)	(1,158,962)	(685,020)	59.1
Operating profit or loss	(1,847,047)	(1,157,547)	(689,500)	59.6
Non-operating income and expenses	270,539	12,648	257,891	2,039.0
Net profit or loss before tax	(1,576,508)	(1,144,899)	(431,609)	37.7

(IV) R&D Status

For details, please refer to the “2023 Business Plan Implementation Results” hereinabove.

II. 2024 Business Plan Outline

(I) Operating Strategy

1. In November 2023, the Group has submitted a rolling application for drug license of mesothelioma to the US FDA, and is expected to complete the submission of all information related to the drug license this year. We’re actively obtaining the FDA’s Priority Review qualification.
2. Strategically plan clinical trials to obtain global drug licenses as soon as possible to benefit cancer patients worldwide.
3. Continue to explore the relationship between ADI-PEG 20 and genes, maximize the therapeutic benefit of patients through genetic testing, so as to achieve the ultimate goal of precision medicine, increase the penetration rate of ADI-PEG 20 in various cancer markets, and ultimately expand the market size.
4. Combining the expertise of Polaris Group and Genovior Biotech Corporation, we will expand our product line to include peptide related apis, difficult generics, and Class 505b2 drugs to better meet the needs of different patients.
5. Find and co-development or regional licensing with strategic alliance partners to secure working capital and spread risks.
6. Practically carry out relevant clinical trials on metabolic disease indications, such as severe fatty liver and diabetes, to make ADI-PEG20 the first choice for combination of metabolic therapy and various cancer drugs, so that more patients can benefit.

(II) Expected Sales, its Basis and Important Production&Sales Polices

The Company’s self-developed products are still in the clinical trial stage and have not yet been marketed. At present, the main business income comes from contracting CDMO services. Management sets the Company’s operation goals and strategies every year, and then the R&D, manufacturing, and clinical teams in the U.S. and Taiwan propose various R&D and CDMO projects accordingly. The R&D/foundry projects are approved for execution after evaluating feasibility, marketing and financial status.

III. The Company’s Future Development Strategy

(I) Clinical Trials for NDA Submission

As a widely effective new cancer drug, ADI-PEG20 has been successfully used in clinical trials of various indications by many international medical centers before. Therefore, ADI-PEG20 has always been highly expected by the international medical community in the field of metabolic therapy for cancer. Therefore, ADI-PEG20 has been highly expected by the international medical community in the field of metabolic therapy for cancer. Now that it’s unblinded, the Company will soon obtain the first first-line drug certificate in mesothelioma, which will be a prelude to the widespread application of this drug in cancer metabolic therapy. The primary goal of the future development strategy is to obtain more definite clinical efficacy data in the shortest possible time in order to enhance the value of the Company and make metabolic therapy the main treatment method for cancer. In the future, the Group will focus its resources on accelerating phase II/III clinical trials for hepatocellular carcinoma and

soft tissue sarcoma. In addition, the Company has also initiated Phase II Glioblastoma and joined the GBM AGILE platform for Phase II/III Glioblastoma trials, as well as phase I clinical trials for Acute Myeloid Leukemia. At the same time, clinical trials for metabolic related diseases such as NASH will be conducted. These trials are described as follows:

1. Soft Tissue Sarcoma

The Phase III clinical trial program received FDA approval for INA in January 2023 and completed its first patient admission in December for ADI-PEG 20 combined with Gemcitabine and Docetaxel for leiomyosarcoma. The trial was randomized and double-blind, with multiple countries and centers involving, as well as an estimated enrollment of 300 patients. The main evaluation index was Progression Free Survival and the secondary evaluation index was Overall Survival.

2. Hepatic cell Carcinoma

In order to expand the enrollment of patient and accelerate the clinical trial, the Company changed its enrollment condition in May 2023 into the screening by arginine concentration. Hepatic cell carcinoma was treated with ADI-PEG 20, a new metabolic therapy. The trial was randomized and double-blind, with multiple countries and centers involving, as well as an estimated enrollment of 300 patients. The main evaluation index was Progression Free Survival and the secondary evaluation index was Overall Survival. At the same time, we signed a memorandum of understanding with the Vietnam National Cancer Hospital and are expected to start patient enrollment.

3. Glioblastoma

This clinical trial was conducted with ADI-PEG20 combined with radiotherapy and Temozolomide in the treatment of Glioblastoma, GBM. This case was originally a Phase I clinical trial, and after completing this stage, the evaluable subjects were enrolled. The Phase II clinical trial has been continued, with a change to a control placebo group, randomized allocation, and double-blind trial. It is expected that the scale of the trial will be expanded, and the number of cases collected globally will be 100. The main evaluation indicator was the Overall Survival, and the trial physician would observe the Progression-free survival. This experiment was led by Taiwan Linkou Chang Gung Memorial Hospital. In August 2023, the first patient of GBM Phase II trial was administered.

At the same time, the Company joined GBM AGILE, a new clinical trial platform approved by the US FDA, which allows simultaneous evaluation of multiple new drugs for Glioblastoma and sharing of patients in control group. And the platform has signed contracts with major international hospitals in order to quickly recruit patients. The Company aims to recruit 300 patients. In August 2023, the ADI-PEG 20 group being trialled on the GBM AGILE platform will enroll patients with newly diagnosed and relapsing GBM. Dr. Nicholas Blondin, assistant professor of clinical neurology at Yale School of Medicine, and Dr. Macarena de la Fuente, associate professor of neuro-oncology and director of neuro-oncology at the Sylvester Comprehensive Cancer Center, University of Miami, will serve as the lead trial program hosts for ADI-PEG 20.

4. Acute Myeloid Leukemia

This is a Phase 1 clinical trial of ADI-PEG 20 in combination with Venetoclax and Azacitidine in patients with acute myeloid leukemia, led by MD Anderson

Cancer Center. In addition to evaluating the safety and tolerability of ADI-PEG 20 in combination with Venetoclax and Azacitidine, the efficacy of this combination in the RP2D (recommended phase 2 dose) arm will also be explored. The trial is expected to enroll 60 patients.

(II) Contract Development and Manufacturing Organization (CDMO)

In addition to the production of ADI-PEG 20, DRX USA, the Group's subsidiary in Northern California, also has a very mature technology that uses E. coli as a production platform. In November 2019, it officially began to provide contract drug R&D and production services, and received good feedback. This will develop into one of the major businesses of the Group. Subsidiary DRX Chengdu is currently the clinical and production base of the Group's freeze-dried biologicals, responsible for the Group's China ADI-PEG 20 new drug R&D and manufacturing and CDMO business. Negotiations with interested potential clients have begun. The Company's strategy is to develop CDMO business in the United States and Europe with DRX USA as the leading factory. DRX Chengdu, on the other hand, is not only responsible for domestic orders in China, but will also leverage Taiwan's upstream and downstream industries to be a technology development and manufacturing base to provide contract development and manufacturing services.

(III) Polypeptide Product Development and Process Optimization

The Company will strengthen research and innovation in the polypeptide product line at Genovior Biotech Corporation, with a special focus on the development of multiple polypeptide products and process optimization to improve production efficiency and product quality. The following are the Company's main plans for polypeptide product development and process optimization. The details are as follows:

1. Semaglutide)

Semaglutide, a drug used to treat diabetes, is a hormone that is a receptor agonist for GLP-1 (glucagon-like peptide-1), an analogue of the insulin hormone that stimulates insulin production and lowers blood sugar levels. In addition, Semaglutide is also used for weight management in obesity, as it can promote appetite reduction and contribute to weight loss. In addition, Semaglutide is expected to continue to expand with the progress of clinical trials of the original company, including the treatment of renal failure in diabetes patients and other related indications. The Company is committed to further optimizing Semaglutide products, including the development of generic drug products from active pharmaceutical ingredients (APIs), injections, and oral formulations. Moreover, the Company also expanded the market size of its products through the development of Class505b2 new drugs to meet the needs of patients and improve therapeutic effectiveness.

The Semaglutide API 75kg production line is scheduled to be completed in 2024, and the capacity expansion will be carried out in three stages over the next three years with the confirmation of mass production orders. The first stage is the production line with an annual output of 75 kg, the second stage is the production line with an annual output of 200 kg, and the third stage is the production line with an annual output of 1,000 kg. In the aspect of commercial development, the Company is currently focusing on the expansion of the new market (emergingmarket). As the supply of Semaglutide products falls short of demand, the company also plans to cooperate with new market countries to enter

major new market countries through joint venture, co-development or technology transfer, etc.

2. Teriparatide

As a peptide substance used in the treatment of osteoporosis, Teriparatide has a significant effect on enhancing bone mineral density and reducing the risk of fracture. The company is committed to improving the production efficiency and quality of Teriparatide to ensure that patients have access to safe and effective treatments. In 2023, the Company has completed the API production of Teriparatide and obtained the certification of EU GMP raw material pharmaceutical factory. This year, we will continue to develop Teriparatide preparations, drug inspection registration and marketing planning.

With these efforts, the Company expects to enhance its influence in the biopharmaceutical industry and lay a solid foundation for future development. This is also the Company's commitment to the field of medical science and technology, that is, providing more advanced and more effective treatment solutions, while pursuing excellent quality and a high degree of market competitiveness.

IV. The Impact of External Competition, Regulations and the General Business Environment

The Company is committed to the comprehensive vertical integration and development of cancer, and equipped with all-round research and development capacities. With its unique mechanism of action, ADI-PEG 20 has shown initial efficacy and safety in multiple cancer trials, and its applicability in combination with a variety of other treatments is expected to be highly competitive in the future market. ADI-PEG 20 will face less homogeneous drug competition in the short term after obtaining the drug license.

In terms of laws and regulations, the Company has experts who have deep understanding of the drug management system of countries and have been paying close attention to the latest trends of laws and regulations to ensure the stable operating environment of the Company. The Company's senior management has profound experience in new drug research and development as well as company operation, always conducting market management and analysis of market movements in a sensitive manner, so as to ensure that the company can immediately adapt to the environment, reduce environmental pollution and maintain a high level of competitive edge.

At the same time, we are pleased to announce the acquisition of Genovior Biotech Corporation, an important milestone in our growth strategy. With this acquisition, the Company will further strengthen the research and development and product line in the field of peptides, and further enhance the overall competitiveness of the Company. We hope that this partnership will be more responsive and lay a more solid foundation for the future development of the Company.

We will strive to achieve the Company's outstanding achievements in the field of cancer management with a sense of commitment and humility, and create the maximum value for all stakeholders.

Chairman:
Howard Chen



CEO:
Steve J.P. Hsu



Accounting Supervisor:
Kay Huang



Appendix 2. 2023 Audit Committee's Review Report

Polaris Group

Audit Committee's Review Report

The Board has prepared the Company's 2023 Annual Business Report, Consolidated Financial Statements, Deficit Compensation Statement, etc., of which the Consolidated Financial Statements have been audited by the Accountants Wendy Liang and Alan Chien of PwC Taiwan appointed by the Board, and a review report was then issued accordingly.

The above-mentioned Annual Business Report, Consolidated Financial Statements, Deficit Compensation Statement have been reviewed by the Audit Committee and no irregularities were found. In accordance with the provisions of Article 14-4 of the Securities and Exchange Act, the report is hereby issued. Please review and kindly approve.

To:

Polaris Group 2024 Annual General Meeting

Polaris Group

Convenor of Audit Committee: Way, Tzong Der



March 12, 2024

Appendix 3. 2023 Independent Auditors' Report and Financial Statements

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Polaris Group

Opinion

We have audited the accompanying consolidated balance sheets of Polaris Group and subsidiaries (the “Group”) as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Auditing and Attestation Engagement of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

Key audit matter - impairment assessment of property, plant and equipment

Description

The Group is primarily engaged in the research and development of new drugs. The property, plant and equipment currently purchased are mainly used for the purposes of research and development or future production and their utilisation is closely related to the results of the Company's research and development of new drug. The property, plant and equipment amounted to NT\$1,437,857 thousand, constituting 16% of the consolidated total assets as at December 31, 2023. Refer to Notes 4(13) and 4(17) for the accounting policies on the acquisition and subsequent measurement of the property, plant and equipment, Note 5 for the accounting estimation uncertainty of property, plant and equipment and Notes 6(8) and 6(12) for the details and related impairment amount of property, plant and equipment. The management of the Group assesses the recoverable amounts of the property, plant and equipment where there is an indication that they are impaired as the basis of impairment assessment under IAS 36 'Impairment of Assets'. Given that the calculation of recoverable amount is considered to be a critical accounting estimate, involves the management's subjective judgement and contains uncertainty, we consider the impairment assessment of property, plant and equipment as a key audit matter of the consolidated financial statements for the year ended December 31, 2023 based on

the overall assessment.

How our audit addressed the matter

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

1. Obtained an understanding on and assessed the related policies and procedures of the Group's impairment assessment of property, plant and equipment and obtained an understanding on the Group's procedures of assessing whether there is any indication that each cash-generating unit may be impaired and assessed the reasonableness of the procedures.
2. Obtained an assets appraisal report issued by an external expert appointed by the Group for the cash-generating units with indications of impairment.
3. Conducted the following audit procedures of impairment test in accordance with the assets appraisal report issued by an external expert appointed by the Group:
 - (1) Obtained an understanding on and assessed the independence, objectivity and competence of the external expert.
 - (2) Obtained an understanding on and assessed the reasonableness of the valuation method adopted in the appraisal report.
 - (3) Obtained an understanding on and assessed the reasonableness of the main valuation key assumptions adopted in the appraisal report and recalculated to ascertain the accuracy of the calculation.

Key audit matter - business combination of Lin Yang

Description

Refer to Notes 4(26) and 6(30) B for the accounting policy and details of business combination.

The Group acquired the outstanding shares of Lin Yang Biopharm, Ltd. and Genovior Biotech Corporation (hereinafter collectively referred to as "Lin Yang") in several stages

starting from October 2023, and obtained 93.16% equity interests in Lin Yang and had control over the entity in December 2023. Lin Yang was included as a consolidated entity of the Group from that date. The consideration for business combination amounted to NT\$2,088,198 thousand, and as the amount of business combination is material and the business combination was a significant transaction during the financial reporting period for the year, we consider the business combination as a key audit matter of the consolidated financial statements for the year ended December 31, 2023.

How our audit addressed the matter

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

1. Inquired with management for the procedures of the acquisition, including the motivation and price of the acquisition as well as the assessment process, accounting treatments and relevant internal control procedures.
2. Reviewed the relevant meeting minutes to confirm that the business combination was approved appropriately.
3. Obtained an understanding on and assessed the independence, objectivity and competence of the external expert and auditors based on the appraisal report issued by the external expert and auditors' opinion on the reasonableness of price, which were obtained by the Group, and assessed the reasonableness of the valuation method and key assumptions adopted in the appraisal report.
4. Reviewed the contract of shares acquisition and verified the voucher of consideration payment to confirm the consistency with the acquisition contract.

Key audit matter – assessment of contingent liabilities

Description

Refer to Note 4(20) for the accounting policy on contingent liabilities, Note 5(3) for the accounting estimation uncertainty of contingent liabilities and Note 9(1) B for the related details of contingent liabilities.

On March 4, 2024, the Group received a payment order from Taiwan Shilin District Court, which was a payment request of financial consulting services to the Group amounting to

NT\$282,486 thousand (US\$9,200 thousand) by the creditor, the Group filed an objection form for civil case against all the requests of the payment order to Taiwan Shilin District Court on March 11, 2024. Based on the legal opinion of the attorney, the management assessed that the possibility of the contingent liabilities arising from the payment order is not probable, and therefore no provision has been recognised as at December 31, 2023 in respect of the matters contained in the payment order. However, due to the significant uncertainty inherent in the legal case, we consider the assessment of contingent liabilities as a key audit matter of the consolidated financial statements for the year ended December 31, 2023.

How our audit addressed the matter

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

1. Inquired with management to obtain the understanding on the nature of the legal case and the assessment of contingent liabilities.
2. Obtained the legal confirmation from external attorneys in respect of pending legal cases to review the assessment of the legal cases.
3. Reviewed documents related to the legal case, including related material contracts, legal attest letter, payment order from the court and other documents, and assessed whether the liabilities were recognised by the management and properly disclosed in the consolidated financial statements based on the legal opinions issued by external experts, which were obtained by the Group.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the

preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate

to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

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

POLARIS GROUP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 3,615,481	40	\$ 7,224,724	78
1110	Financial assets at fair value through profit or loss - current	6(2)	176,957	2	155,988	2
1136	Financial assets at amortised cost - current	6(3) and 8	1,154,675	13	-	-
1170	Trade receivables	6(4)	5,119	-	461	-
1200	Other receivables		20,026	-	60	-
130X	Inventories	6(6)	36,355	-	-	-
1410	Prepayments	6(7)	87,954	1	153,825	2
1476	Other current financial assets	6(1) and 8	1,508	-	3,036	-
1479	Other current assets, others		7,050	-	2,122	-
11XX	Current Assets		<u>5,105,125</u>	<u>56</u>	<u>7,540,216</u>	<u>82</u>
Non-current assets						
1550	Investments accounted for using equity method	6(8)	-	-	60,122	1
1600	Property, plant and equipment	6(9)(13)	1,437,857	16	1,300,049	14
1755	Right-of-use assets	6(10)	162,382	2	287,456	3
1760	Investment property, net	6(11)	181,380	2	-	-
1780	Intangible assets	6(12)	2,106,189	23	174	-
1920	Guarantee deposits paid		25,961	-	23,184	-
1990	Other non-current assets, others	6(14)	79,060	1	8,041	-
15XX	Non-current assets		<u>3,992,829</u>	<u>44</u>	<u>1,679,026</u>	<u>18</u>
1XXX	Total assets		<u>\$ 9,097,954</u>	<u>100</u>	<u>\$ 9,219,242</u>	<u>100</u>

(Continued)

POLARIS GROUP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(15)	\$ 674,908	7	\$ -	-
2130	Contract liabilities - current		10,060	-	-	-
2170	Accounts payable		2,143	-	-	-
2200	Other payables	6(16)	200,733	2	130,057	2
2280	Current lease liabilities		40,390	1	32,635	-
2320	Long-term liabilities, current portion	6(17)	31,139	-	88,138	1
21XX	Current Liabilities		<u>959,373</u>	<u>10</u>	<u>250,830</u>	<u>3</u>
Non-current liabilities						
2540	Long-term borrowings	6(17)	352,969	4	30,848	-
2580	Non-current lease liabilities		98,626	1	230,997	3
2670	Other non-current liabilities, others	6(18)	53,816	1	32,510	-
25XX	Non-current liabilities		<u>505,411</u>	<u>6</u>	<u>294,355</u>	<u>3</u>
2XXX	Total Liabilities		<u>1,464,784</u>	<u>16</u>	<u>545,185</u>	<u>6</u>
Equity attributable to owners of parent						
Share capital						
3110	Common stock	6(21)	7,437,592	82	7,420,484	81
Capital surplus						
3200	Capital surplus	6(22)	11,696,587	129	11,476,142	124
Retained earnings						
3350	Accumulated deficit	6(23)	(12,149,489)	(134)	(10,572,795)	(115)
Other equity interest						
3400	Other equity interest		381,337	4	350,226	4
31XX	Equity attributable to owners of the parent		<u>7,366,027</u>	<u>81</u>	<u>8,674,057</u>	<u>94</u>
36XX	Non-controlling interests		<u>267,143</u>	<u>3</u>	<u>-</u>	<u>-</u>
3XXX	Total equity		<u>7,633,170</u>	<u>84</u>	<u>8,674,057</u>	<u>94</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		<u>\$ 9,097,954</u>	<u>100</u>	<u>\$ 9,219,242</u>	<u>100</u>

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

POLARIS GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	Items	Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(23)	\$ 7,481	100	\$ 6,439	100
5000	Operating costs	6(26)(27)	(10,546)	(141)	(5,024)	(78)
5900	Gross profit from operations		(3,065)	(41)	1,415	22
	Operating expenses	6(26)(27)				
6200	Administrative expenses		(307,281)	(4108)	(234,991)	(3649)
6300	Research and development expenses		(1,536,701)	(20541)	(923,971)	(14350)
6000	Total operating expenses		(1,843,982)	(24649)	(1,158,962)	(17999)
6900	Operating loss		(1,847,047)	(24690)	(1,157,547)	(17977)
	Non-operating income and expenses					
7100	Interest income		303,549	4058	64,739	1005
7020	Other gains and losses	6(24)	18,620	249	(32,285)	(501)
7050	Finance costs	6(25)	(32,590)	(436)	(11,051)	(172)
7060	Share of loss of associates and joint ventures accounted for using equity method	6(7)	(19,040)	(255)	(8,755)	(136)
7000	Total non-operating income and expenses		270,539	3616	12,648	196
7900	Loss before income tax		(1,576,508)	(21074)	(1,144,899)	(17781)
7950	Income tax expense	6(28)	(15,554)	(208)	(5,534)	(86)
8200	Loss for the year		(\$ 1,592,062)	(21282)	(\$ 1,150,433)	(17867)
	Components of other comprehensive income, net, that will not be reclassified to profit or loss					
8361	Exchange differences on translation		\$ 25,281	338	\$ 835,691	12979
	Components of other comprehensive income, net, that will be reclassified to profit or loss					
8361	Exchange differences on translation		5,830	78	(109,253)	(1697)
8300	Other comprehensive income		\$ 31,111	416	\$ 726,438	11282
8500	Total comprehensive loss		(\$ 1,560,951)	(20866)	(\$ 423,995)	(6585)
	Loss, attributable to:					
8610	Owners of the parent		(\$ 1,576,694)	(21077)	(\$ 1,150,433)	(17867)
8620	Non-controlling interest		(15,368)	(205)	-	-
			(\$ 1,592,062)	(21282)	(\$ 1,150,433)	(17867)
	Comprehensive loss attributable to:					
8710	Owners of the parent		(\$ 1,545,583)	(20661)	(\$ 423,995)	(6585)
8720	Non-controlling interest		(15,368)	(205)	-	-
			(\$ 1,560,951)	(20866)	(\$ 423,995)	(6585)
	Loss per share					
9750	Basic and diluted loss per share	6(29)	(\$ 2.12)		(\$ 1.57)	

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

POLARIS GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	<u>Equity attributable to owners of the parent</u>							
	<u>Notes</u>	<u>Share capital - common stock</u>	<u>Capital surplus</u>	<u>Accumulated deficit</u>	<u>Financial statements translation differences of foreign operations</u>	<u>Total</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
<u>2022</u>								
Balance at January 1, 2022		\$ 7,188,451	\$ 9,824,000	(\$ 9,422,362)	(\$ 376,212)	\$ 7,213,877	\$ -	\$ 7,213,877
Loss for the year		-	-	(1,150,433)	-	(1,150,433)	-	(1,150,433)
Other comprehensive income for the year		-	-	-	726,438	726,438	-	726,438
Total comprehensive income(loss)		-	-	(1,150,433)	726,438	(423,995)	-	(423,995)
Issuance of shares	6(20)(22)	200,000	1,528,539	-	-	1,728,539	-	1,728,539
Exercise of employee stock options	6(20)(22)	32,033	52,081	-	-	84,114	-	84,114
Compensation cost of employee stock options		-	71,522	-	-	71,522	-	71,522
Balance at December 31, 2022		<u>\$ 7,420,484</u>	<u>\$11,476,142</u>	<u>(\$10,572,795)</u>	<u>\$ 350,226</u>	<u>\$ 8,674,057</u>	<u>\$ -</u>	<u>\$ 8,674,057</u>
<u>2023</u>								
Balance at January 1, 2023		<u>\$ 7,420,484</u>	<u>\$11,476,142</u>	<u>(\$10,572,795)</u>	<u>\$ 350,226</u>	<u>\$ 8,674,057</u>	<u>\$ -</u>	<u>\$ 8,674,057</u>
Loss for the year		-	-	(1,576,694)	-	(1,576,694)	(15,368)	(1,592,062)
Other comprehensive income for the year		-	-	-	31,111	31,111	-	31,111
Total comprehensive income(loss)		-	-	(1,576,694)	31,111	(1,545,583)	(15,368)	(1,560,951)
Exercise of employee stock options	6(20)(22)	17,108	41,144	-	-	58,252	-	58,252
Compensation cost of employee stock options	6(20)(22)	-	179,301	-	-	179,301	-	179,301
Non-controlling interests		-	-	-	-	-	282,511	282,511
Balance at December 31, 2023		<u>\$ 7,437,592</u>	<u>\$11,696,587</u>	<u>(\$12,149,489)</u>	<u>\$ 381,337</u>	<u>\$ 7,366,027</u>	<u>\$ 267,143</u>	<u>\$ 7,633,170</u>

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

POLARIS GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 1,576,508)	(\$ 1,144,899)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(9)(10)(27)	133,615	143,502
Amortisation expense	6(12)(27)	1,765	213
Compensation cost of employee stock options	6(20)(28)	177,431	37,507
Interest expense	6(26)	32,590	11,051
Interest revenue		(303,549)	(64,739)
Loss on disposal of property, plant and equipment	6(9)(25)	57,902	570
Gain on disposal of right-of-use assets	6(25)	(2,016)	-
(Gain) loss on valuation of financial assets at fair value through profit or loss	6(2)(25)	(7,305)	18,408
Share of loss of associates accounted for using equity method	6(8)	19,040	8,755
Gain on disposal of investments accounted for using equity method	6(25)	(47,971)	-
Gain in government grants	6(25)	(1,024)	(1,630)
Changes in operating assets and liabilities			
Changes in operating assets			
Trade receivables		3,913	4,469
Inventories		(7,503)	-
Other receivables		(140)	358
Prepayments		105	(134,871)
Other current assets, others		(1,921)	(2,085)
Other non-current assets, others		3,223	29,289
Changes in operating liabilities			
Contract liabilities-current		(815)	-
Accounts payable		(1,247)	-
Other payables		6,285	18,663
Cash outflow generated from operations		(1,514,130)	(1,075,439)
Income tax paid	6(29)	(15,554)	(5,534)
Interest paid		(29,311)	(12,843)
Interest received		303,549	64,739
Net cash flows used in operating activities		(1,255,446)	(1,029,077)

(Continued)

POLARIS GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	6(32)	(\$ 333,176)	(\$ 69,633)
Acquisition of financial assets at fair value through profit or loss	6(2)	(13,677)	(47,546)
Acquisition of investments accounted for using equity method		(513,923)	-
Proceeds from disposal of property, plant and equipment		1,031	172
Acquisition of financial assets at amortised cost	6(3)	(1,032,691)	-
(Increase) decrease in other current financial assets	6(1)	(1,860)	332,010
Decrease (increase) in guarantee deposits		81	(15,320)
Net cash flow from acquisition of subsidiaries	6(31)	(<u>1,341,152</u>)	<u>-</u>
Net cash flows (used in) from investing activities		(<u>3,235,367</u>)	<u>199,683</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayments of short-term loans	6(15)(33)	-	(299,387)
Proceeds from short-term borrowings	6(15)(33)	690,836	-
Repayments of long-term debt	6(17)(33)	(117,643)	-
Proceeds from long-term debt	6(17)(33)	325,361	-
Payments of lease liabilities		(37,645)	(28,491)
Exercise of employee stock options		58,252	84,114
Proceeds from issuance of shares	6(21)	-	1,728,539
Net cash flows from financing activities		<u>919,161</u>	<u>1,484,775</u>
Effect of exchange rate changes on cash and cash equivalents		(<u>37,591</u>)	<u>691,942</u>
Net (decrease) increase in cash and cash equivalents		(3,609,243)	1,347,323
Cash and cash equivalents at beginning of year		<u>7,224,724</u>	<u>5,877,401</u>
Cash and cash equivalents at end of year		<u>\$ 3,615,481</u>	<u>\$ 7,224,724</u>

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

Appendix 4. 2023 Details of Individual Directors' Remuneration

December 31, 2023, Unit: Thousand TWD

Title	Name	Director's Remuneration (Note 1)				Ratio of the sum of items A, B, C, and D to net profit after tax (%)		Relevant Remuneration Received by Directors Who Are Also Employees				Ratio of the Sum of Items A, B, C, D, E, F, and G to Net Profit after Tax (%)		Remuneration from Investee Companies Other Than Subsidiaries or from the Parent Company	
		Remuneration (A)	Severance Pay and Retirement Pension (B)	Director's Remuneration (C)	Allowances for Business Execution (D)	The Company	All companies in the financial report	The Company	All companies in the financial report	Remuneration of Directors (F)	Remuneration of Employees (G)		The Company		All companies in the financial report
								Amount in cash	Amount in shares		Amount in cash	Amount in shares		Amount in cash	Amount in shares
Chairman	Howard Chen (Note 1)	—	—	—	25	25	3,600	—	—	—	—	—	—	3,625	—
Director	Digital Capital Inc. Representative: Patrick Yang (Note 3)	800	—	—	—	800	—	—	—	—	—	—	—	800	—
Director	Mai Investment Co., Ltd. Representative: Lin, Wei-Xuan	350	—	—	—	350	—	—	—	—	—	—	—	350	—
Director	Chen, Shyan-Tser	800	—	—	30	830	—	—	—	—	—	—	—	830	—
Independent Director	Ways Tsong Der	950	—	—	30	980	—	—	—	—	—	—	—	980	—
Independent Director	Chao, Ying-Chen	891	—	—	25	916	—	—	—	—	—	—	—	916	—
Independent Director	Tai, Chang-Hui (Note 4)	749	—	—	5	754	—	—	—	—	—	—	—	754	—

1. Please explain the payment policies, systems, standards, and structures for remuneration of Independent Directors and explain the connection between factors (such as duties, risks, and time invested) and the amount of remuneration paid: According to the Articles of Incorporation of the Company, the remuneration of directors shall be submitted to the Board for resolution after being agreed by the Remuneration Committee based on the value of their participation and contribution to the operation of the Company with reference to the common standards within the industry. In addition, in accordance with the rules of the independent directors of the Company, the remuneration of the independent directors of the Company shall be fixed in the Articles of Incorporation of the Company or in accordance with the resolution of the shareholders' meeting, and may be subject to reasonable remuneration different from that of ordinary directors. The company takes into account domestic and foreign industry standards and currently pays independent directors NT\$100,000 monthly and NT\$5,000 for carriage fees for each board meeting.

2. Except as disclosed in the above table, remuneration received by the directors of the Company in the most recent year for services provided to all companies in the financial reports (e.g. as consultants who are not employees, etc.): None

Note 1: Director Howard Chen has served as the Chief Executive Officer of the Company since November 11, 2022 and therefore received the Chief Executive's remuneration since taking office and retired on December 21, 2023.

Note 2: The total amount of remuneration not actually received by directors and employees shall include the amount of expenses recognized by IFRS 2 -- Share-based Payment for stock warrants granted by the Company to employees in accordance with the standards for annual returns recorded by the Company.

Note 3: The representative of the legal director, Digital Capital Inc., was originally Patrick Yang. Digital Capital Inc. reassigned its representative, Steve J.P. Hsu, on January 2, 2024, effective from January 2, 2024, with a term of office until June 11, 2026.

Note 4: Independent Director Tai, Chang-Hui resigned on August 29, 2023.

Appendix 5. List of Candidates for Independent Director

No.	Name	Shareholding	Education Background	Experience	Category of Nominee	Whether he/she have been an independent director for three consecutive terms/Reasons
1	Karen Wen	0	<ul style="list-style-type: none"> • Ph.D., Old Dominion University/Eastern Virginia Medical School, US • Bachelor of Chemistry, NTU 	<ul style="list-style-type: none"> • COO/CSO (incumbent) of GenomeFrontier Therapeutics TW Co., Ltd. • General Manager/Co-founder of MYCENAX BIOTECH INC. • Special Assistant to General Manager of TAIWAN ADVANCE BIO-PHARMACEUTICAL INC. • Research of Biotechnology Center, R&D Supervisor of Immunoreagent Factory 	Independent director	No

IX. Annex

Annex 1. Memorandum of Association and the Articles of Incorporation

THE COMPANIES ACT (AS REVISED)
COMPANY LIMITED BY SHARES
**TENTH AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION
OF
POLARIS GROUP**

北極星藥業集團股份有限公司

(adopted by Special Resolution of the Shareholders passed on June 12, 2023)

1. The name of the Company is **POLARIS GROUP** 北極星藥業集團股份有限公司.
2. The Registered Office of the Company shall be at the offices of Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands, or at such other place within the Cayman Islands as the Directors may decide.
3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the laws of the Cayman Islands.
4. The liability of each Shareholder is limited to the amount unpaid on such Shareholder's shares.
5. The share capital of the Company is NTD 10,000,000,000 divided into 1,000,000,000 shares of a nominal or par value of NTD 10 each.
6. Capitalised terms that are not defined in this Memorandum of Association bear the respective meanings given to them in the Articles of Association of the Company.

THE COMPANIES ACT (AS REVISED)
COMPANY LIMITED BY SHARES
TENTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION
OF
POLARIS GROUP

北極星藥業集團股份有限公司

(as adopted by a Special Resolution passed on June 12, 2023)

INTERPRETATION

1. The Regulations contained or incorporated in Table A of the First Schedule to the Law (as defined below) shall not apply to this Company.
2. (A) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires:
 - (1) Acquisition means an acquisition as defined under Article 4 of R.O.C. Enterprise Mergers and Acquisitions Law.
 - (2) Affiliated Company with respect to any company, any other company that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such first company; the term “control” means the possession, direct or indirect, of the effective controlling power to direct or cause the direction of the management and policies of such company, whether through the ownership of voting securities, by contract or otherwise, and the terms “controlling”, “controlled by” and “under common control with” shall have correlative meanings;
 - (3) Applicable Listing Rules the relevant laws, regulations, rules and code 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 laws of the R.O.C., including without limitation the Securities and Exchange Act, the Company Act, the Acts Governing Relations Between Peoples of the Taiwan Area and the Mainland Area, or any similar statute and the rules and regulations of the Taiwan authorities thereunder, and the rules and regulations promulgated by the Financial Supervisory Commission, Taipei Exchange or the Taiwan Stock Exchange;
 - (4) Articles these Articles of Association of the Company in their present form, as amended or substituted from time to time amended or supplemented by Special Resolution;
 - (5) Auditors the Auditors for the time being of the Company, if any;

- (6) Audit Committee has the meaning set forth in Article 84;
- (7) Audit Committee Members members of the Audit Committee;
- (8) Chairman has the meaning given thereto in Article 76;
- (9) Class or Classes any class or classes of Shares as may from time to time be issued by the Company;
- (10) Commission Financial Supervisory Commission of Taiwan or any other authority for the time being administering the Securities and Exchange Act of Taiwan;
- (11) Company POLARIS GROUP 北極星藥業集團股份有限公司;
- (12) Consolidated Company means the new company that results from the consolidation of two or more Constituent Companies;
- (13) consolidation means the combination of two or more Constituent Companies into a Consolidated Company and the vesting of the undertaking, property and liabilities of such companies in the Consolidated Company within the meaning of the Law and the Taiwan Laws;
- (14) Constituent Company an existing company that is participating in a Merger with one of more other existing companies within the meaning of the Law and the Taiwan Law;
- (15) controlled company has the definition given under Taiwan Law
- (16) Directors or Board the directors of the Company for the time being or, as the case may be, the directors assembled as a board or as a committee thereof;
- (17) Distributable Profits has the meaning given thereto in Article 117;
- (18) electronic (a) shall have the meaning given to it in the Electronic Transactions Act;
- (19) electronic communication transmission to any number, address or internet website or other electronic delivery methods as may be decided and approved by not less than two-thirds of the vote of the Board, subject to the Law;
- (20) Electronic Transactions Act the Electronic Transactions Act (As Revised) of the Cayman Islands;
- (21) Emerging Market the emerging market board of Taipei Exchange in Taiwan;
- (22) FSC Financial Supervisory Commission of Taiwan;
- (23) Taipei Exchange or TPEX the Taipei Exchange in Taiwan;
- (24) Indemnified Person has the meaning given thereto in Article 154;
- (25) Independent Director a Director who is an independent director as defined in the Applicable Listing Rules;
- (26) Law the Companies Act As Revised) of the Cayman Islands;
- (27) Member or Shareholder a Person who is duly registered as the holder of any Share or Shares in the Register and includes each subscriber to the Memorandum of Association pending entry in the Register of such subscriber as well as

- persons who are jointly so registered, and “Members” or “Shareholders” means 2 or more of them;
- (28) Memorandum of Association of the memorandum of association of the Company, as amended or substituted from time to time;
- (29) Merger a merger and/or a consolidation;
- (30) merger the merging of two or more Constituent Companies and the vesting of their undertaking, property and liabilities in one of such company as the Surviving Company within the meaning of the Law and the Taiwan Laws;
- (31) Month a calendar month;
- (32) MOPS The Market Observation Post System maintained by TWSE & TPEX;
- (33) NTD the lawful currency of the Republic of China;
- (34) Ordinary Resolution a resolution passed by a simple majority of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of any Shareholder being a corporation, by its duly authorised representative at a general meeting of the Company held in accordance with these Articles and regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled;
- (35) paid up paid up as to the par value and any premium payable in respect of the issue of any Shares and includes credited as paid up;
- (36) 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;
- (37) Register the register or registers of Shareholders of the Company to be maintained at such place within or outside the Cayman Islands as the Board shall determine from time to time, as required to be kept pursuant to the Law (including any “listed shares register” and/or “unlisted shares register” in each case as defined in the Law);
- (38) Registered Office the registered office of the Company for the time being as required under the Law;
- (39) Registration Office such place or places in the Republic of China or elsewhere where the Board from time to time determine to keep a Register in respect of that class of share capital and where (except in cases where the Board otherwise agrees) transfers of other documents of title for Shares or other securities are to be lodged for registration and are to be registered;
- (40) Relevant Period the period commencing from the date on which any of the securities of the Company first become listed on a Stock Market to and including the date immediately before the day on which none of such securities are so listed (and so that if at any time 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 listed);
- (41) remunerations including without limitation salary, reimbursement, cash, options, share bonus, retirement benefits, severance pay, termination payment, allowances and other compensation with substantial benefits;
- (42) Remuneration Committee has the meaning given thereto in Article 85.2;
- (43) Remuneration Committee Members The members of Remuneration Committee;
- (44) Republic of China, R.O.C. or Taiwan the Republic of China, its territories, its possessions and all areas subject to its jurisdiction;
- (45) Seal the common seal of the Company (if applicable) or any facsimile or official seal (if applicable) for the use outside of the Cayman Islands;
- (46) 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;
- (47) Share a share of a nominal or par value of NTD 10 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;
- (48) Share Premium Account the share premium account established in accordance with these Articles, the Law and the Taiwan Laws, meaning an account where a sum equal to the aggregate amount of the value of the premium paid on the issue of the Shares is transferred;
- (49) Shareholders' Service Agent the agent licensed by Taiwan authorities to provide certain shareholders services in accordance with the Applicable Listing Rules to the Company;
- (50) Share Swap means a share swap as defined under Article 4 of R.O.C. Enterprise Mergers and Acquisitions Law.
- (51) 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;
- (52) Special Resolution means a special resolution of the Company passed in accordance with the Law, being a resolution passed by a majority of at least two-thirds of such Shareholders as, being entitled to do so, vote in Person or, where proxies are allowed, by proxy or, in the cases of Shareholders which are corporations, by their respective duly authorised representatives at a general meeting of the Company of which notice, specifying

(without prejudice to the power contained in the Articles to amend the same) the intention to propose the resolution as a Special Resolution, has been duly given;

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;

- (53) Special Shares has the meaning given thereto in Article 4;
- (54) Stock Market the Emerging Market, TPEX or TWSE;
- (55) Spin-off an act wherein a transferor company transfers all of its independently operated business or any single independently operated business to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to issue new shares to the transferor company or to shareholders of the transferor company;
- (56) subsidiary has the definition given under Taiwan Laws;
- (57) Supermajority Resolution Type A a resolution passed by a majority vote of the Shareholders at a general meeting attended by the Shareholders who represent not less than two-thirds of all issued and outstanding Shares entitled to vote, and vote in person or, where proxies are allowed, by proxy;
- (58) Supermajority Resolution Type B a resolution passed by two-thirds majority of the Shareholders at a general meeting attended by the Shareholders who represent at least a majority of all issued and outstanding Shares entitled to vote, and vote in person or, where proxies are allowed, by proxy;
- (59) Surviving Company means the sole remaining Constituent Company into which one or more other Constituent Companies are merged within the meaning of the Law and the Taiwan Laws;
- (60) Taiwan Laws the laws and regulations of Taiwan, including without limitation the Applicable Listing Rules;
- (61) TWSE the Taiwan Stock Exchange;
- (62) Treasury Shares has the meaning given thereto in Article 34.

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

(C) 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 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;

- (d) "may" shall be construed as permissive and "shall" shall be construed as imperative;
- (e) in the case of any conflict between the Taiwan Laws and these Articles, the Articles shall prevail;
- (f) in the case of any conflict between the Taiwan Laws and the Law, the Law shall prevail; and
- (g) references to provisions of any law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced from time to time.

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

(E) Sections 8 and 19(3) of the Electronic Transactions Act shall not apply.

SHARES

3. Subject to these Articles, the Directors may, in respect of all Shares for the time being unissued:
 - (a) offer, issue, allot and dispose 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 to its par value, except in accordance with the provisions of the Law and 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 the Applicable Listing Rules; and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued.
4. Shares of different classes with rights which are preferential or inferior to those of ordinary Shares issued by the Company ("**Special Shares**") may be created with the approval of a Special Resolution and upon such approval, Special Shares may be issued 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. Prior to the issuance of any Special Shares approved pursuant to the preceding Article 4, these Articles shall be amended to set forth the rights, restrictions and obligations attaching to the Special Shares, including but not limited to the following terms, and the same shall apply to any variation of rights of Special Shares:
 - (a) the total number of Special Shares authorized to be issued and the number of Special Shares already issued;
 - (b) the priority and allocation of dividends and bonuses payable on the Special Shares (including the amount or ratio fixed, if any);
 - (c) the priority and allocation of surplus assets of the Company payable on the Special Shares upon a winding up of the Company (including the amount or ratio fixed, if any);
 - (d) the voting right(s) and any restrictions on the voting rights(s) attaching to the Special Shares (and where no voting right is attached to such Special Shares, a statement to that effect);

- (e) the redemption right(s) attaching to the Special Shares, if any, and the manner in which such right may be exercised (and where no redemption right is attached to such Special Shares, a statement to that effect); and
 - (f) any other rights, restrictions and obligations attaching to Special Shares.
- 6. The issue of new ordinary Shares shall be approved by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors. The issue of new Shares shall at all times be subject to the sufficiency of the authorised capital of the Company. The authorised but unissued shares in the authorized share capital of the Company may be issued in such number and at such time as the Directors shall determine from time to time.
- 7. The Company shall not issue any unpaid Shares or partial paid-up Shares. The Company shall not issue Shares in bearer form. Other non-cash equity capital contributed by Shareholders may be in the form of monetary credit extended to the Company, or the technical know-how required by the Company, provided, however, that the value of such capital contribution shall require a prior approval of the board of directors.
- 8. For so long as the Shares are listed on a Stock Market and subject to the Applicable Listing Rules, upon each issuance of new Shares, the Directors may reserve not more than fifteen percent (15%) of the new Shares in the proposed issuance for subscription by the employees of the Company and/or its subsidiaries or controlled companies as determined by the Board in its reasonable discretion.
- 9. For so long as the Shares are listed on a Stock Market, unless otherwise resolved by the Shareholders in general meeting by Ordinary Resolution and as otherwise stipulated under Taiwan Laws, if at any time the Board resolves to issue any new Share under Article 6, the Company shall, after reserving the portion of the new Shares for employee subscription pursuant to Article 8 and for public offering in Taiwan pursuant to Article 11 and applicable Taiwan Laws respectively, offer such remaining new Shares, by a public announcement made in accordance with the Applicable Listing Rules and a written notice to each Shareholder, for subscription by each Shareholder in proportion to the number of Shares held by each of them respectively. The Company shall state in such written notice that if any Shareholder fails to confirm his subscription of his pro rata portion of such remaining new Shares within the prescribed period, his right shall be forfeited. Where the number of Shares held by a Shareholder is insufficient for such Shareholder to subscribe for one new Share, the Shares being held by several Shareholders 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 Shareholder. New Shares left unsubscribed by the Shareholders may be open for public issuance or for subscription by specific Person or Persons through negotiation. Each Shareholder may subscribe for such new Shares himself, or designate one or more Persons to subscribe for such Shares.
- 10. The Shareholders' pre-emptive right prescribed under the preceding Article 9 shall not apply in the event that new Shares are issued due to the following reasons or for the following purposes:
 - (a) in connection with a Merger with another company, or the Spin-off of the Company, or pursuant to any reorganization of the Company;
 - (b) in connection with meeting the Company's obligations under Share subscription warrants and/or options granted to the employees;
 - (c) in connection with meeting the Company's obligations under corporate bonds which are convertible bonds, bonds with warrants or bonds vested with rights to acquire Shares;
 - (d) in connection with meeting the Company's obligations under share subscription warrant or Special Shares vested with rights to acquire Shares;

- (e) in connection with the Company's issuance of new Shares for subscription by the employees of the Company and/or its subsidiaries or controlled companies as employee compensation or under employee stock option or share ownership programs or under Article 31(A)(g); or
 - (f) any other exemptions provided under Taiwan Laws.
- 11. Where the Company increases its capital by issuing new Shares in Taiwan, the Company shall allocate 10% of the total number of the new Shares to be issued, for offering in Taiwan to the public unless it is not necessary or appropriate, in accordance with the Applicable Listing Rules, for the Company to conduct the aforementioned public offering; *provided, however*, that the Shareholders may by Ordinary Resolution resolve to allocate a higher percentage than 10% of the new Shares to be issued for offering in Taiwan to the public.
- 12. The Company may, upon resolution by a majority vote at a meeting of the Board attended by two-thirds or more of the Directors, adopt one or more employee incentive programs pursuant to which shares, options, warrants, or other similar instruments to acquire Shares may be granted to employees of the Company and/or any of its subsidiaries or controlled companies to subscribe for Shares to the extent as permitted by Taiwan Laws. The options, warrants, or other similar instruments to acquire Shares granted to any employee under any employee stock option plan shall be non-transferable, except to the heirs of the employees.
- 12.1 For so long as the Shares are listed on a Stock Market, matters relating to the Company's private placement of securities shall be governed by the Applicable Listing Rules.
- 12.2 The Company shall notify each subscriber the deadline to pay the consideration of such subscription. If the new Shares are issued at a premium (higher than the par value), the share premiums shall be paid together with par value of the shares simultaneously. In the event that the subscriber fails to pay the full consideration of the new Shares before such deadline, the Company shall notify such subscriber to pay the consideration within a cure period no less than one month and that any failure to pay the consideration in full within the given cure period will result in such subscriber's right to subscribe the New Shares been forfeited. The subscribers who fail to pay according to the Company's notice shall be deemed to have forfeited their rights, and the New Shares subscribed by them could be offered and sold to others by the Company. Under the aforesaid circumstances, the Company is still entitled to claim against such defaulting subscribers for the compensation for loss or damage, if any.

MODIFICATION OF RIGHTS

- 13. If different Classes of Shares are issued, any modification or alteration to the terms and conditions of Shares in any Class that is prejudicial to the holders of that Class shall be approved by
 - (a) the Shareholders of the Company at a general meeting by Supermajority Resolution Type A or alternatively, if the quorum criteria of Supermajority Resolution Type A cannot be met at the general meeting, then by a Supermajority Resolution Type B at the general meeting.
 - and
 - (b) the holders of that Class by a Supermajority Resolution Type A passed at a separate meeting of holders of that Class, or alternatively, if the quorum criteria of Supermajority Resolution Type A cannot be met at such separate meeting of the Class, a Supermajority Resolution Type B passed at such separate meeting of the Class.To every such meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereof shall apply, mutatis mutandis, except that the necessary quorum shall be as set out herein.

14. 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.

REGISTERS

15. The Board shall cause to be kept the Register and there shall be entered therein the particulars required under the Law.
16. Subject to the provisions of the Law, if the Board considers it necessary or appropriate during the Relevant Period, the Company shall keep its Register of Shareholders in the Republic of China.

CERTIFICATE

17. Unless provided otherwise in the Law or the Taiwan Laws, the Shares issued by the Company may be in scripless form and be delivered by way of book-entry system. For so long as the Shares are listed on the Stock Market, the Shares issued by the Company in scripless form shall be delivered by way of book-entry system to the Shareholders within thirty (30) days from the date such Shares may be issued pursuant to the Law and/or to the Taiwan Laws. The Company shall make a public announcement in accordance with Applicable Listing Rules prior to the delivery of such Shares.

TRANSFER AND TRANSMISSION OF SHARES

18. Subject to the Law and the Taiwan Laws, Shares issued by the Company shall be freely transferable, *provided that* any Shares reserved for issuance to the employees of the Company and/or its subsidiaries or controlled companies may be subject to transfer restrictions for a period of not more than two years, or such other period as the Directors may determine in their discretion.
19. The instrument of transfer of any Share shall be in writing in any usual or common form or such other form as the Directors may, in their absolute discretion, approve and be executed by or on behalf of the transferor and transferee. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register in respect of the relevant Shares.
20. The Board may decline to register any transfer of any Share unless the instrument of transfer is lodged with the Company, accompanied by the certificate (if any) for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.
- 20.1 The Directors may determine, at their absolute discretion, that Article 19 and Article 20 shall cease to be applicable once the Shares are listed on a Stock Market and will be transferable through the book-entry form or any other manners as applicable under the Applicable Listing Rules.
21. The registration of transfers may be suspended when the Register is closed in accordance with Article 37
22. All instruments of transfer that are registered shall be retained by the Company, but any instrument of transfer that the Directors decline to register shall (except in any case of suspected or actual fraud) be returned to the Person depositing the same.

23. Notwithstanding anything contained in these Articles, the Company shall as soon as practicable and on a regular basis record in the Register and shall at all times maintain the Register in all respects in accordance with the Law.
24. In the case of the death of a Shareholder, the heirs, and the legal personal representative of a deceased where he was a sole or only surviving holder of a Share, shall be the only Persons recognised by the Company as having any title to the Share. In case of a Share registered in the names of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased survivor where he was a sole or only surviving holder of a Share, shall be the only Persons recognised by the Company as having any title to the Share.
25. Any Person becoming entitled to a Share in consequence of the death or bankruptcy or winding-up of a Shareholder shall upon such evidence being produced as may from time to time be properly required by the Board, and subject as hereinafter provided, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt Person could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the deceased or bankrupt Person before the death or bankruptcy.
26. A Person becoming entitled to a Share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.
27. (Reserved Intentionally)
28. (Reserved Intentionally)

ALTERATION OF SHARE CAPITAL

29. The Company may from time to time by Ordinary Resolution:
 - (a) (Reserved Intentionally)
 - (b) consolidate and divide all or any of its share capital into Shares of a larger par value than its existing Shares;
 - (c) subdivide its existing Shares, or any of them, into Shares of a smaller par value than is fixed by the Memorandum of Association; and
 - (d) cancel any Shares that, at the date of the passing 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.
30. (A) The Company may by Special Resolution:
 - (a) change its name;
 - (b) subject to the Law, reduce its share capital and any capital redemption reserve in any manner authorised by Law provided that such reduction is in proportion to the shareholding of the Shareholders;
 - (c) subject to the Law, be voluntarily wound up; and(B) The Company may, by a Special Resolution effect a Merger of the Company in accordance with the Law.
31. (A) The following matters shall require the approval of the Shareholders by a Supermajority Resolution Type A:

- (a) approve its entry into, the amendment or termination of any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;
 - (b) approve the transfer the whole or any material part of its business or assets;
 - (c) approve the takeover of another's whole business or assets, which will have a material effect on the business operation of the Company;
 - (d) distribute part or all of its dividends or bonus by way of issuance of new Shares;
 - (e) effect any Spin-off in accordance with the Taiwan Laws;
 - (f) approve the cessation of the Company as a public company in Taiwan and the cessation of the listing of its Shares on a Stock Market;
 - (g) approve the offer or issue of Shares with the rights subject to certain restrictions set by the Company in accordance with the Taiwan Laws to the employees of the Company and/or its subsidiaries or controlled companies; and the issuance size, price, terms, conditions and other relevant matters related thereto shall comply with applicable Taiwan Laws; and
 - (h) effect any Share Swap in accordance with the Taiwan Laws.
- (B) Alternatively, if the total number of Shares represented by the Shareholders present at a general meeting to consider the matters specified in the preceding paragraph (A) is not sufficient to meet the quorum criteria for a Supermajority Resolution Type A, the Company may effect the above matters by a Supermajority Resolution Type B.
- (C) For the matters which are required to be approved by Supermajority Resolution Type A / Supermajority Resolution Type B under these Articles, the Company shall not approve such matters by way of Special Resolution or Ordinary Resolution.
- (D) Subject to the Law and the Taiwan Laws, without a supermajority resolution passed by the Shareholders holding two-thirds or more of the total issued and outstanding Shares at a general meeting attended in person or by proxy by Members who represent two-thirds or more of the total issued and outstanding Shares, the Company shall not effect any Merger where the Company is dissolved, general transfer of all assets and liabilities of the Company, Share Swap or Spin-off whereby (a) such transaction will cause the Shares to be delisted under the Applicable Listing Rules and Taiwan Laws, and (b) the surviving, transferee, existing or newly incorporated company, as applicable, participating in such transaction is not a TPEX (or TWSE, as applicable) listed company.

32. In the event a resolution with respect to any of the matters listed in Article 30(B) and paragraphs (a), (b), (c) or (e) of the preceding Article 31(A) is passed by the Shareholders at a general meeting in accordance with the provisions of these Articles, any Shareholder who has notified the Company in writing of his objection to such resolution prior to such 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 Shareholder shall have the abovementioned appraisal right if the Shareholders resolves to liquidate or dissolve the Company immediately after the completion of transfer of business or assets under the paragraph (b) of Article 31(A). In the event of a Spin-Off of any part of the Company's business, a Merger with any other company, an Acquisition, or

Share Swap, a Shareholder, who has expressed his dissent therefore, in writing or verbally (with a record) before or during the general meeting and voted against or forfeited his right to vote on such matter, may request the Company to buy back all of his Shares at the then prevailing fair price. The preceding Shares for which voting right has been forfeited, shall not be counted in the number of votes of the Shareholders present in a general meeting.

- 32.1 The request prescribed in the preceding Article 32 shall be delivered to the Company in writing, stating therein the types and numbers of Shares to be repurchased and the requested purchase price, within twenty days commencing from the date on which the resolution was adopted. In the event the Company has reached an agreement in regard to the purchase price with the dissenting Shareholder in regard to his Shares, the Company shall pay such price within ninety days commencing from the date of the resolution. In the event that the Company fails to reach such agreement with the dissenting Shareholder, the Company shall pay the fair price determined by the Company to such Shareholder within a ninety-day period commencing from the date of the resolution, and the Company will be deemed to have agreed to the purchase price requested by the Shareholder if the Company fails to pay within such ninety days. With respect to the request made by the dissenting Shareholders pursuant to this Article 32.1, in the event the Company fails to reach an agreement with the dissenting Shareholder on the fair price of his Shares within a sixty-day period commencing from the date of the resolution, the Company shall, within thirty days after such sixty-day period, file a petition against all such dissenting Shareholders with the Taipei District Court of Taiwan as the competent court for a ruling on the fair price of his Shares, and such ruling by such Taiwan court shall be binding and conclusive as between the Company and dissenting Shareholder solely with respect to the appraisal price. Notwithstanding the above provisions under this Article 32.1, nothing under this Article shall restrict or prohibit a Member from exercising his right under section 238 of the Law to payment of the fair value of his shares upon dissenting from a merger or consolidation.

REDEMPTION AND PURCHASE OF SHARES

33. Subject to the Law, the Taiwan Laws and these Articles, the Company may issue Shares (including Special Shares) on terms that they are to be redeemed or are liable to be redeemed upon the happening of a specified event or upon a given date and either at the option of the Company or the Shareholder on such terms and in such manner as the Company may by Special Resolution determine; *provided that* payment in respect of the redemption of its own Shares shall be made in a manner and from the funds authorised by the Board and in accordance with the Law and Taiwan Laws.
34. Subject to the Law, the Taiwan Laws and these Articles, and 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. Shares that the Company repurchases, redeems or acquires (by way of surrender or otherwise) shall be cancelled immediately or held as treasury shares (“**Treasury Shares**”) at the discretion of the Directors. The above resolution of the Board and the implementation thereof (including the failure to repurchase, redeem or acquire the number of Shares resolved by the Board to be repurchased, redeemed or acquired) shall be reported to the Shareholders at the next general meeting of Shareholders.
- 34.1 No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made to the Company in respect of a Treasury Share.

- 34.2 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 Shareholder for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
 - (b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of these Articles or the Law.
- 34.3 If the Company transfers the Treasury Shares to the employees of the Company and/or its subsidiaries or controlled companies, the Board may determine, in its discretion, the terms and conditions (including the transfer restrictions for a period of time not exceeding 2 years) of such transfer. A proposal to transfer any Treasury Shares to the employees of the Company and/or its subsidiaries or controlled companies at a price below the average actual repurchase price of such Shares shall be approved by the Shareholders in a general meeting in accordance with the Applicable Listing Rules and the items required by the Applicable Listing Rules shall be specified in the notice of the general meeting and may not be proposed as an ad hoc motion. The aggregate number of Treasury Shares resolved at the general meetings to be transferred to the employees of the Company and/or its subsidiaries or controlled companies shall not exceed 5% of the total issued and outstanding Shares, and each employee may not subscribe for Treasury Shares totalling more than 0.5% of the total issued and outstanding Shares in aggregate.
- 34.4 Subject to Article 34 and Article 34.3, Treasury Shares may be transferred or cancelled on such terms and conditions as determined by the Directors.
- 34.5 For so long as the Shares are listed on a Stock Market, matters relating to the Company's redemption or repurchase of Shares shall be subject to the Law and the Applicable Listing Rules.
35. Unless otherwise provided in these Articles, the redemption or purchase of any Share shall not be deemed to give rise to the redemption or purchase of any other Share.
36. Subject to the Law and the Taiwan Laws, the Directors may when making payments in respect of redemption or purchase of Shares, if authorised by the terms of issue of the Shares being redeemed or purchased or with the agreement of the holder of such Shares, make such payment either in cash or in specie.
- 36.1 Subject to the Law and Taiwan Laws, the Company may by Ordinary Resolution compulsorily redeem or purchase its own Shares by reducing and making payment out of its profits, share premium or share capital. Any such redemption or purchase and the payment out of share capital must be made to all Shareholders in proportion to the shareholding of the Shareholders. Any such payment or distribution may be made in cash or in kind which may include property. Before making any in-kind distribution, the Board shall receive a valuation report issued by a certified public accountant in Taiwan on the value of such in-kind distribution and the corresponding capital contribution, and the proposal to make in-kind distribution shall require the approval of the general meeting of the Shareholders by Ordinary Resolution and the consent from the Shareholders who receive such in-kind distribution.

CLOSING REGISTER OR FIXING RECORD DATE

37. For the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at any meeting of Shareholders or any adjournment thereof, or those Shareholders that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Shareholder for any other purpose, the Directors may provide that the Register shall be closed for transfers for a stated

period. For so long as the Shares are listed on a Stock Market, the Register shall be closed at least for a period of sixty (60) days, thirty (30) days and five (5) days immediately before the date of each annual general meeting, each extraordinary general meeting and the record date for a dividend distribution, respectively.

38. Apart from closing the Register, the Directors may fix in advance a record date for any such determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of the Shareholders and for the purpose of determining those Shareholders that are entitled to receive payment of any dividend. In the event the Directors designate a record date in accordance with this Article 38 under Applicable Listing Rules, the Directors shall immediately make a public announcement on the website designated by the Commission and the Taipei Exchange or TWSE pursuant to the Applicable Listing Rules.

GENERAL MEETINGS

39. All general meetings other than annual general meetings shall be called extraordinary general meetings.
40. The Board may, whenever they think fit, convene a general meeting of the Company; provided that the Company shall in each year hold a general meeting as its annual general meeting within six months after close of each fiscal year and shall specify the meeting as such in the notices calling it.
41. At these meetings the report of the Directors (if any) shall be presented. For so long as the Shares are listed on a Stock Market, all general meetings shall be physically held in Taiwan. If any general meeting is to be physically held outside Taiwan, an application shall be filed with TWSE (or TPEX, as applicable) for approval within two days after the Board resolves to convene such meeting. Where a general meeting is to be held outside Taiwan, the Company shall engage a duly licensed stock service agent within R.O.C. to handle the administration of such general meeting (such as voting).
- 41.1 Subject to the Law, the general meeting can be held by means of visual communication network or other methods promulgated by the central competent authority of Republic of China.

In case a shareholders' meeting is proceeded via visual communication network, the shareholders attending the meeting remotely shall be deemed to have attended the meeting in person.

The Company shall be in compliance with the Law and Applicable Listing Rules in terms of the prerequisites, procedures, and other compliance matters when the general meeting is held by using visual communication network.

42. Any Shareholder or Shareholders entitled to attend general meetings of the Company holding in aggregate at least three percent (3%) of the paid up share capital of the Company for a period of one year or longer may, by depositing a requisition notice at the Registration Office or the Shareholders' Service Agent specifying the objects of the meeting, request the Board to convene an extraordinary general meeting. If the Board does not convene such meeting within 15 days after the date of the requisition notice, the Shareholders that submitted the requisition may convene the general meeting. For so long as the Shares are listed on a Stock Market, such general meetings shall be held in Taiwan.
- 42.1 (Reserved Intentionally)
- 42.2 Any one or more Shareholders holding in aggregate more than half of the total number of the issued Shares of the Company as at the period which the Register of Shareholders is closed for transfers of Shares, for at least three (3) consecutive months may convene an extraordinary general meeting.

- 42.3 The Board or any person who is entitled to convene a general meeting under these Articles may demand the Company or the Shareholders' Service Agent to provide the Register.

NOTICE OF GENERAL MEETING

43. At least thirty and fifteen days' notices in writing shall be given to such persons as are entitled to vote or may otherwise be entitled under these Articles of the Company to receive such notices from the Company for any annual and extraordinary general meetings, respectively. Such notice shall specify the place, the day and the time of meeting and, in the case of special business, the general nature of that business shall be given in manner hereinafter provided, or in such other manner (if any) as may be prescribed by the Company in general meetings. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given. The notice

for a general meeting may be given by means of electronic communication if the Company obtains prior consent from the Shareholders or as permitted by the Law and Taiwan Laws.

44. (A) The following matters shall be specified in the notice of a general meeting with the description of their major content, and shall not be proposed as ad hoc motions. The major contents may be uploaded onto the website designated by the Commission or the Company, and such website shall be indicated in the notice of general meeting.
- (a) election or removal of Directors;
 - (b) amendments to the Memorandum of Association and/or these Articles;
 - (c) reduction of share capital;
 - (d) application for de-registration as a public company;
 - (e) winding-up, Merger, Share Swap, or Spin-off of the Company;
 - (f) entering into, amendment to, or termination of any contract for lease of the Company's business in whole, or for entrusting business, or for regular joint operation with others;
 - (g) the transfer of the whole or any material part of the Company's business or assets; and
 - (h) taking over another Person's whole business or assets, which will have a material effect on the business operation of the Company;
 - (i) carrying out private placement of the Company's securities;
 - (j) granting waiver to a Director for engaging in any business within the scope of business of the Company;
 - (k) distributing part or all of the Company's dividends or bonus by way of issuance of new Shares;
 - (l) capitalization of the Legal Reserve (as defined in Article 117) and the Capital Reserve (subject to Article 135) by issuing new Shares to the Shareholders in proportion to the number of Shares being held by each of them; and
 - (m) distributions out of the Legal Reserve and the Capital Reserve (Subject to Article 118) to the Shareholders in cash in proportion to the number of Shares being held by each of them;
 - (n) other matters as stipulated in Taiwan Laws.

- (B) However, a Shareholder may submit a proposal by *ad hoc* motions at a general meeting if such proposal is related to the matters specified in the notice for such general meeting. At least 30 days prior to an annual general meeting of Shareholders or 15 days prior to an extraordinary general meeting of Shareholders, or other deadline as stipulated in relevant Taiwan Laws from time to time, the Company shall publish, in accordance with the Applicable Listing Rules, the notice of the general meeting, proxy form, and the agenda (including each resolution proposed to be passed at such meeting, such as proposals of ratifications, deliberation, election or dismissal of Directors) and relevant materials relating to the agenda and other matters required by the Taiwan Laws. If the Shareholders are permitted to vote in writing, the above materials and the voting form shall also be delivered to the Shareholders.
45. For so long as the Shares are listed on a Stock Market, the Company shall prepare a manual for each general meeting and the relevant materials, which will be sent to or made available to all Shareholders and shall be published on the MOPS or other website designated by the Commission and the TPEx or TWSE at least 21 days prior to an annual general meeting or 15 days prior to an extraordinary general meeting, or other deadline as stipulated in Taiwan Laws from time to time pursuant to the Applicable Listing Rules and other applicable Taiwan Laws. However, if the Company's total paid-in capital exceeds NT\$10 billion at the most recent financial year end date, or if the shareholding of foreign and PRC investors exceeds more than 30% of the total number of issued shares as recorded in the Register of Shareholders as of the date of the general meeting held in the most recent financial year, the foregoing transmission of information and materials shall be published on the MOPS or other website designated by the Commission and the TPEx or TWSE at least 30 days prior to an annual general meeting.

PROCEEDINGS AT GENERAL MEETING

46. No business shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business. Save as otherwise provided by these Articles, at least two Shareholders holding more than an aggregate of one-half of all Shares in issue present in person or by proxy and entitled to vote shall be a quorum for all purposes. Provided however, in respect of Ordinary Resolutions, when the number of shares held by Shareholders present in Person or by proxy does not constitute the quorum set forth above, but those present represent an aggregate of one-third or more of all Shares in issue, a conditional resolution may be passed by a simple majority of those present and voting. A notice of such conditional resolution shall be given to each of the Shareholders and a general meeting shall be reconvened within one month. The quorum for such reconvened general meeting shall be at least two holders of Shares holding an aggregate of one-third or more of all Shares in issue. Such conditional resolution, if passed by a simple majority of those present and voting at the reconvened meeting, shall be deemed to be passed as an Ordinary Resolution.
47. Shareholder(s) holding one percent or more of the total number of outstanding Shares at the time when the Register is closed for transfer prior to the date of the annual general meeting may propose in writing or by electronic transmission to the Company a proposal for discussion at an annual general meeting, provided that each qualified Shareholder is allowed to submit one proposal. Proposals shall not be included in the agenda of the annual general meeting if (a) the proposing Shareholder is not qualified, (b) has submitted a proposal containing more than 300 words, or more than one proposal, (c) the matter proposed may not be resolved by a general meeting under the Law or the Taiwan Laws, or (d) such proposal is submitted in a day beyond the deadline announced by the Company for accepting

the Shareholders' proposal; provided however, if any of proposal from such Shareholder(s) is to urge the Company to promote public interests or fulfill its social responsibilities, the Board may accept such proposal to be discussed at a general meeting. The submission and handling of Shareholder proposals as provided herein shall be subject to the Law and the Taiwan Laws and in accordance with the rules and procedures of Shareholders' meeting of the Company from time to time.

48. The Chairman of the Board shall preside as chairman at every general meeting of Shareholders convened by the Board. In case the Chairman is on leave or absent or cannot exercise his power and authority for any reason, the Chairman shall designate one of the directors to act as his deputy. In the absence of such designation, the Directors shall elect one of their number to preside such meeting as the chairman. For a general meeting convened by any other Person having the right to convene such meeting under the Law or the Taiwan Laws, such Person or other person which is entitled to act as the chairman under the Law or the Taiwan Laws shall preside as the chairman of that meeting.
49. The chairman may with the consent of the general meeting by Ordinary Resolution (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place, 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 meeting, or adjourned meeting, is adjourned for more than five (5) days, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
50. At any general meeting a proposal put to the vote of the meeting shall be decided on a poll, and the number or proportion of the votes in favour of, or against, that proposal shall be recorded in the minutes of the meeting.
51. Unless otherwise expressly required by the Law or these Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Shareholders at any general meeting may be passed by an Ordinary Resolution.
52. In the case of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote.
53. (Reserved Intentionally)

VOTES OF SHAREHOLDERS

54. Subject to any rights and restrictions for the time being attached to any Share, every Shareholder who is present in person (or in the case of a Shareholder being a corporation, by its duly authorised representative) and every Person representing a Shareholder by proxy shall have one vote for each Share of which he or the Person represented by proxy is the holder which is fully paid or credited as fully paid.
- 54.1 Subject to the Law and the Taiwan Laws, should a Shareholder hold Shares on behalf of other person(s), such Shareholder may exercise the voting power of such Shares separately.

The qualifications, scope, methods of exercise, operating procedures and other matters for compliance with respect to separation of exercising voting power in the preceding paragraph shall be subject to the Taiwan Laws.
55. Where the Company has knowledge that any Shareholder is, under the Taiwan Laws, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.
56. (A) No vote may be exercised with respect to any of the following Shares:

- (a) Shares held by the Company itself;
 - (b) Shares held by any subsidiary of the Company, where the Company holds more than one half of the total voting shares of such subsidiary; or
 - (c) Shares held by another company, where the Company and its subsidiaries hold directly or indirectly more than one half of the total voting shares or the total share equity of such a company.
- (B) The Shares held by any Shareholder having no voting right by virtue of the preceding paragraph (A) shall not be counted in the total number of issued and outstanding Shares for the purpose of a resolution put to a vote at a general meeting.
- 56.1 In case a Director has created security over any Shares held by him, he shall notify the Company of such security. If at any time the Company has been notified of a security created by a Director in respect of his Shares and such security is in respect of more than one half of the Shares held by it/him/her at the time when it/he/she is elected, the Shares over which such security has been created in excess of one-half of the Shares held by such Director at the time of election shall not carry voting rights and shall not be counted in the number of votes of the Shareholders present in a general meeting.
57. In the case of joint holders, the joint holders shall select among them a representative for the exercise of their Shareholder's rights and the vote of their representative who tenders a vote whether in Person or by proxy shall be accepted to the exclusion of the votes of the other joint holders.
58. A Shareholder of unsound mind, or having been declared to lack capacity by order of any court having jurisdiction, may vote by his committee, or other Person in the nature of a committee appointed by that court, and any such committee or other Person, may vote by proxy.
59. A Shareholder may appoint only one proxy to attend a general meeting on his behalf by executing a power of attorney prepared by the Company stating therein the scope of power authorized to the proxy and deliver such duly executed and completed power of attorney to the Company no later than five (5) days prior to the scheduled date of the general meeting. In case the Company receives two or more powers of attorney from one Shareholder, the first one received by the Company shall prevail, unless the subsequent one contains an explicit statement to revoke the previous power of attorney.
60. In addition to the restrictions contained in these Articles, other requirements and restrictions for use or cancellation of proxies, solicitation of proxies and relevant proceedings shall be subject to the relevant Taiwan Laws, including but not limited to the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.
61. The instrument appointing a proxy shall be in the form approved by the Board and be expressed to be for a particular meeting only and shall contain the information as required under Taiwan Laws.
62. (Reserved Intentionally)
63. Except where a Shareholder is appointing the chairman of a general meeting as his proxy through written instruction or electronic transmission pursuant to Article 67, for trust enterprises duly licensed under Taiwan Laws or Shareholders' Service Agencies approved by Taiwan competent authorities or other entities prescribed under Applicable Listing Rules, when a Person who acts as the proxy for two or more Shareholders, the number of votes represented by him shall not exceed three

percent (3%), or such other percentage as stipulated and amended in relevant Taiwan Laws from time to time, of the total number of votes of the Company and the portion of excessive votes represented by such proxy shall not be counted in accordance with the Applicable Listing Rules.

64. A Shareholder cannot exercise his own vote or by proxy on behalf of another Shareholder in respect of any matter or proposed matter or arrangement if he is interested therein and may cause damage to the Company's interests. Such Shares shall not be counted in determining the number of votes of the Shareholders present at the said meeting. If any question shall arise at any meeting as to the interest of a Shareholder and whether it will damage the Company's interests and such question is not resolved by the Shareholder voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be determined by the chairman of the meeting (or, where the question relates to the interest of the chairman, to the directors present at the meeting)
65. Where the Company has only one Shareholder, a resolution in writing signed by such Shareholder in accordance with these Articles shall be as valid and effective as if the same had been passed at a general meeting of the Company duly called and constituted.
66. To the extent permitted by the Law, when the Company holds a general meeting, the Company shall provide the Shareholders with a method for exercising their voting power by means of electronic transmission. The Company shall specify the method of such exercising of votes in the meeting notice, subject to the Law and the Taiwan Laws.
67. For the avoidance of doubt, a Shareholder who exercises his votes in writing or by way of electronic transmission in accordance with the Taiwan Laws and these Articles shall be counted towards the quorum, and shall be deemed to have appointed the chairman of the general meeting as his proxy for the purposes of these Articles and the Law to exercise his voting right at such general meeting in accordance with the instructions stipulated in the written instructions or electronic transmission; provided, however, that such appointment shall be deemed not to constitute the appointment of a proxy for the purposes of the Applicable Listing Rules. The chairman, acting as proxy of a Shareholder, shall not exercise the voting right of such Shareholder in any way not stipulated in the written or electronic document, nor exercise any voting right in respect of any resolution revised at the meeting or any impromptu proposal at the meeting. A Shareholder voting in such manner shall be deemed to have waived his votes in respect of any *ad hoc* motions and amendments to the contents of the original proposals at such general meeting, subject to the Law and the Taiwan Laws.
68. A Shareholder shall deliver his declaration in relation to the votes in writing or by way of electronic transmission to the Company no later than the second (2nd) day prior to the scheduled date of the general meeting, or such other deadline as stipulated or amended in Taiwan Laws from time to time; if two or more declarations are delivered to the Company, the first declaration shall prevail, unless the subsequent declaration contains an explicit statement to revoke the previous declaration, subject to the Law and the Taiwan Laws.
69. In case a Shareholder who has exercised his votes in writing or by way of electronic transmission intends to attend the general meeting in person, he shall, at least two (2) days prior to the scheduled meeting date of the general meeting or other deadline as stipulated and amended in relevant Taiwan Laws from time to time, deliver to the Company a separate declaration of intention in the same manner as such Shareholder exercises his votes to revoke his previous declaration of intention, subject to the Law and the Taiwan Laws. In the absence of a timely revocation of

the previous declaration of intention, the votes exercised in writing or by way of electronic transmission shall prevail, subject to the Law and the Taiwan Laws.

- 69.1 In case a Shareholder, who has exercised his votes in writing or by way of electronic transmission, also executes and delivers to the Company an instrument appointing a proxy to attend a general meeting, the vote exercised by the proxy shall prevail.
70. In case the procedure for convening a general meeting of Shareholders or the method of adopting resolutions is in violation of the Law, Taiwan Laws or these Articles, a Shareholder may, within thirty (30) days from the date of the resolution, submit a petition to the Taipei District Court of Taiwan or a competent court in Cayman Islands for an appropriate remedy, including but not limited to requesting the court to invalidate and cancel the resolution adopted therein.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETING

71. Any corporation which is a Shareholder of the Company may by resolution of its directors or other governing body authorise such Person as it thinks fit to act as its representative at any meeting of the Company or of any Class of Shareholders of the Company, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder of the Company.

DIRECTORS

72. The Company shall have 7 to 9 Directors, including at least three Independent Directors, in number. Independent Directors shall occupy no less than 1/5 of total director seats. For so long as the Shares are listed on a Stock Market, before the election of Directors (including Independent Directors) at a general meeting, Director candidates shall be nominated for election at a general meeting in accordance with the Directors candidate nomination system stipulated in the Taiwan Laws. The Shareholders shall elect (a) the Independent Directors from among the nominees listed in the roster of nominated Independent Director candidates, and (b) the non-Independent Directors from among the nominees listed in the roster of nominated non-Independent Director candidates. The election of Independent Directors and non-Independent Directors shall be held at the same general meeting, but the votes for the election of the Independent Directors shall be calculated separately from the votes for the election of the non-Independent Directors in accordance with Article 73. Matters related to the candidate nomination, including (without limitation) nomination procedures and announcement of the director candidates, shall be done in accordance with the Law and Taiwan Laws.
73. The general meeting of the Shareholders may appoint any natural person or corporation to be a Director. At a general meeting considering the election of Directors, each Share shall have the same number of votes as the number of Directors to be elected, and the total number of votes per Share may be consolidated for election of one candidate or may be split for election of two or more candidates. The candidates, in number equal to the number of Directors to be elected, with the highest number of votes shall be elected as Directors. The director elected with the most votes shall call the first Board meeting after the election.
74. Subject to these Articles, the term for which a Director will hold office shall be three years; thereafter he may be eligible for re-election. In case no election of new Directors is effected after expiration of the term of office of the existing Directors, the term of office of such Directors shall be extended until the time new Directors are elected and assume their office subject to these Articles and internal rules of the Company from time to time.

75. (A) A Director may be removed at any time by a Supermajority Resolution Type A passed at a general meeting. Alternatively, if the total number of Shares represented by the Shareholders present at such general meeting is not sufficient to meet the quorum criteria for a Supermajority Resolution Type A, the Company may remove a Director by a Supermajority Resolution Type B.
- (B) The Company may replace all Directors before expiry of their current term of office, and the existing Directors shall be deemed to have retired from their present term of office prior to the expiry thereof, unless the resolution of the general meeting expressly stipulates the existing Directors will remain in the office until the expiry of their present term of office. The replacement of all Directors shall be made at a general meeting attended by the Shareholders who represent at least a majority of all issued and outstanding Shares entitled to vote.
- (C) In the event a Director has, in the course of performing his/her duties as a Director, committed any act resulting in material damages to the Company or in material violation of these Articles, the Laws or the Applicable Listing Rules, but is not removed by a resolution of the general meeting pursuant to Article 75(A), Shareholder(s) holding 3% or more of the issued and outstanding Shares of the Company may, subject to the laws of the Cayman Islands and Taiwan Laws, within 30 days after that general meeting, seek to remove such Director by filing a lawsuit in Taipei District Court of Taiwan or other competent court, and such Director shall be deemed removed upon the Company's receipt of a final and non-appealable judgment for removal of such Director.
- (D) Shareholder(s) continuously holding 1% or more of the issued and outstanding Shares of the Company for six months or more may, subject to the laws of the Cayman Islands, request an Independent Director of the Audit Committee to file a lawsuit for the Company against the Director(s) in Taipei District Court of Taiwan. If the Independent Director fails to file a lawsuit within 30 days after receiving such request, such qualified Shareholder(s) may file a lawsuit for the Company against the Director(s) in Taipei District Court of Taiwan; and under such circumstances, the Company may request the suing Shareholder(s) to post an appropriate bond as security for the lawsuit proceeding under the Taiwan Laws. In case the suing Shareholder(s) lose in that lawsuit and thus cause any damage to the Company, the suing Shareholder(s) shall be liable for indemnifying the Company for such damage.
76. The Board shall have a Chairman (the "**Chairman**") elected and appointed by a majority of the Directors present at the Board meeting the quorum of which shall be two-thirds of all of the Directors then in office. The period for which the Chairman will hold office will also be determined by a majority of the Directors present at the Board meeting with a quorum of at least two-thirds of all of the Directors then in office. The Chairman shall preside as chairman at every meeting of the Board. To the extent the Chairman is not present at a meeting of the Board within fifteen minutes after the time appointed for holding the same, the attending Directors may choose one of their number to be the chairman of the meeting.
77. The Board may, from time to time, and except as required by the applicable Laws and Taiwan Laws, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives, which shall be intended to set forth the policies of the Company and the Board on various corporate governance related matters as the Board shall determine by resolution from time to time.

78. A Director shall not be required to hold any Shares in the Company by way of qualification.
- 78.1 For so long as the Shares are listed on a Stock Market, the professional qualifications, composition, election, removal, exercise of authority, and all other matters relating to the Board or Directors, including those provided in the Articles, shall be subject to the Law and the Applicable Listing Rules.

DIRECTORS' AND OFFICERS' FEES AND EXPENSES

79. The remuneration of Directors and/or officers of the Company shall be proposed by the Remuneration Committee and submitted to the Board for determination taking into account the extent of the involvement of the business operation and the contribution of each Director and officer of the Company, the average remuneration level of the industry and such other factors as the Remuneration Committee and the Board consider relevant and appropriate.
80. The Board is authorized to purchase director and officer liability insurance for each Director and officer of the Company and/or its subsidiaries or controlled companies throughout his term of office where the Board deems advisable.
81. (Reserved Intentionally)

INDEPENDENT DIRECTORS, THE AUDIT COMMITTEE, AND THE REMUNERATION COMMITTEE

82. For so long as the Shares are listed on a Stock Market, the Company shall have such number of Independent Directors as required by and in accordance with the Applicable Listing Rules (the "**Required Number**"). 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. At least two Independent Directors shall have household registration of Taiwan. In the event that the number of the Independent Directors appointed is lower than the prescribed minimum number, an election for Independent Directors shall be held at the next following general meeting. In the event that the seats of all Independent Directors become vacant, the Company shall convene an extraordinary general meeting to hold a by-election within 60 days from the date on which the situation arose. The term of each new Independent Director shall be the remainder of the term of each respective Independent Director whose seat has become vacant.
83. Independent Directors shall possess professional knowledge and 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 concurrent positions held, as well as assessment of independence of Independent Directors shall be governed by the Applicable Listing Rules.
84. For so long as the Shares are listed on a Stock Market, the Company may establish an Audit Committee as required by and in accordance with the Applicable Listing Rules. The Board is authorized to stipulate and amend from time to time the operational articles and bylaws of the Audit Committee in accordance with the Applicable Listing Rules.

The Audit Committee shall comprise all the Independent Directors. It shall not be fewer than three Persons in number, one of whom shall be the convenor, and at least one of whom shall have accounting or financial expertise.

A resolution of the Audit Committee shall be approved by one-half or more of all Audit Committee Members.

85. The following matters shall be subject to the approval of one-half or more of all Audit Committee Members and be submitted to the Directors for a resolution:

- (a) adoption or amendment of an internal control system;
- (b) assessment of the effectiveness of the internal control system;
- (c) adoption of or amendment to handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, monetary loans to others, or endorsements or guarantees for others;
- (d) a matter bearing on the personal interest of a Director;
- (e) a transaction related to material asset or derivatives;
- (f) a material monetary loan, endorsement, or provision of guarantee;
- (g) the offering, issuance, or private placement of any equity-type securities;
- (h) the engagement or dismissal of an attesting chartered public accountant, or the compensation given thereto;
- (i) the appointment or discharge of a financial, accounting, or internal auditing officer; and
- (j) annual and semi-annual financial reports;

With the exception of subparagraph (j), any matter under a subparagraph of the preceding paragraph of this Article 85 that has not been approved with the approval of one-half or more of all Audit Committee Members may be undertaken upon the approval of two-thirds or more of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the meeting of Directors.

- 85.1 Before the Company convenes a Board meeting to approve any Merger, Acquisition, or Spin-off, the Audit Committee shall convene a meeting to review the plan and the fairness and reasonability of such transaction, and adopt a resolution on such proposed plan and transaction as the conclusion of such review, the audit committee shall report their resolution to the Board meeting and the meeting of the Shareholders (to the extent that such transaction requires the approval of the meeting of the Shareholder under the Law or these Articles). During the audit committee's review, the Audit Committee shall seek a fairness opinion from the independent expert advisor with respect to the share exchange ratio, or the amount of cash or other assets to be distributed to the Shareholders. The resolution made as the conclusion of the Audit Committee's review, and such independent expert advisor's opinion shall be given to the Shareholders along with the notice of meeting of the Shareholders (to the extent that such transaction requires the approval of the meeting of the Shareholders under the Law or these Articles). If the approval of the meeting of the Shareholders under the Law or these Articles is not required, the Company shall report such transaction in the next meeting of the Shareholders. In the event that the Company has disclosed the same contents on the website designated by the FSC, and make above documents available at the place of the meeting of the Shareholders for review, the documents shall be deemed having been given to the Shareholders.
- 85.2 For so long as the Shares are listed on a Stock Market, the Company may establish a Remuneration Committee as required by and in accordance with the Applicable Listing Rules. The Board is authorized to stipulate and amend from time to time the operational articles and bylaws of the Remuneration Committee in accordance with the Applicable Listing Rules. The number of Remuneration Committee Members, elections method of Remuneration Committee Members, their professional qualifications, as well as assessment of negative qualifications thereof and relevant matters shall be governed by the Applicable Listing Rules. The remuneration referred to herein shall include salary, stock options, and any other payment or benefits having the nature of incentive compensation as stipulated in

relevant Taiwan Laws from time to time for Directors and managers of the Company.

- 85.3 The Remuneration Committee shall, subject to the Applicable Listing Rules, perform the following duties with the care as a good administrator and submit proposals to the Board for discussion and determination:
- (a) establish policies, systems, standards and structure of the performance evaluation and remuneration of the Directors and officers of the Company, and to review the above periodically;
 - (b) periodically evaluate and propose the remunerations of the Directors and officers of the Company; and
 - (c) other matters as required by Applicable Listing Rules.
- 85.4 For so long as the Shares are listed on a Stock Market, the Company may establish other committees as required by and in accordance with the Applicable Listing Rules. The Board is authorized to stipulate and amend from time to time the operational articles and bylaws of such committees in accordance with the Applicable Listing Rules.
- 85.5 For so long as the Shares are listed on a Stock Market, the professional qualifications, composition, election, removal, exercise of authority, and all other matters relating to Independent Directors, the Audit Committee and Audit Committee Members, and the Remuneration Committee and Remuneration Committee Members, including those provided in the Articles, shall be subject to the Law and the Applicable Listing Rules.

ALTERNATE DIRECTOR OR PROXY

86. Any Director may in writing appoint another person to be his alternate and, save to the extent provided otherwise in the form of appointment, such alternate shall have authority to act in such Director's place at any meeting of the Directors at which he is unable to be present. Every such alternate shall be entitled to attend and vote at meetings of the Directors as a Director when the Director appointing him is not personally present and where he is a Director to have a separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. Such alternate shall not be an officer of the Company and shall be deemed to be the agent of the Director appointing him. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them.
87. Any Director may appoint another Director to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

POWERS AND DUTIES OF DIRECTORS

88. Subject to the Law, these Articles, Taiwan Laws and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in a general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.

- 88.1 In the course of conducting its business, the Company shall comply with the Applicable Listing Rules and business ethics and may take corporate actions to promote public interests in order to fulfill its social responsibilities.
89. The Directors may from time to time appoint any Person, whether or not a Director to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, the office of the chief executive officer, president, one or more vice-presidents, chief financial officer or controller, treasurer, assistant treasurer, or manager, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Any Person so appointed by the Directors may be removed by the Directors.
90. The Directors may appoint a Secretary (and if needed, an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors.
91. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.
92. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any company, firm or Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and
subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to delegate all or any of the powers, authorities and discretion vested in him.
93. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following Articles shall not limit the general powers conferred by this Article.
94. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any Persons to be members of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any such Persons.
95. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any Person so appointed and may annul or vary any such delegation, but no Person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
96. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

BORROWING POWERS OF DIRECTORS

97. Subject to these Articles, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.
- 97.1 (A) Without prejudice to the duties owed by a Director or an officer (being a manager or secretary of the Company who are authorized to act on its behalf in a senior management capacity) to the Company under common law of the Cayman Islands and subject to the Law and Taiwan Laws, a Director and officer shall assume fiduciary duties towards the Company and, without limitation, shall exercise due care and skill in conducting the business operations of the Company.
- (B) Should any such Director or officer violate any such duty or applicable laws, without prejudice to the rights and remedies available under applicable laws, the Company may (i) take actions against such Director or officer for indemnification of the damages caused to the Company, and (ii) require such Director or officer to bear joint and several liability for indemnification of the damages payable by the Company to other Person(s), and (iii) the Company may, by an Ordinary Resolution, take any action permitted by applicable laws and laws of the Cayman Islands to account for any profits and benefits and request payment to the Company such profits or benefits gained in respect of the breach of their fiduciary duties or violation of the applicable laws.

THE SEAL

98. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary or in the presence of any one or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.
99. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such Person or Persons as the Directors shall for this purpose appoint and such Person or Persons as aforesaid shall sign every instrument to which the facsimile Seal is so affixed in their presence and such affixing of the facsimile Seal and signing as aforesaid shall have the same meaning and effect as if the Seal had been affixed in the presence of and the instrument signed by a Director or a Secretary or in the presence of any one or more Persons as the Directors may appoint for the purpose.
100. Notwithstanding the foregoing, a Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

DISQUALIFICATION AND CHANGES OF DIRECTORS

101. The office of Director shall be vacated, if such Director:
- (a) commits a felony (including but not limiting to an offence under Statute for Prevention of Organizational Crimes of Taiwan) and has been adjudicated guilty by a final judgment, and has not commenced to serve the term of the sentence yet, or has commenced to serve the term of sentence but not served

the full term or less than five years have elapsed from the date of completion of the full sentence, expiry of probation period or date in which he has been pardoned;

- (b) has been sentenced to imprisonment for a term of more than one year for the commission of fraud, breach of trust or misappropriation, and has not commenced to serve the term of the sentence yet, or has commenced to serve the term of sentence but not served the full term or less than two years have elapsed from the date of completion of the full sentence, expiry of probation period or date in which he has been pardoned;
- (c) has been adjudicated guilty by a final judgment for committing the offense as specified in the Anti-corruption Act of R.O.C., misappropriating company or public funds during the time of his public service, and has not commenced to serve the term of the sentence yet, or has commenced to serve the term of sentence but not served the full term less than two years have elapsed from the date of completion of the full sentence, expiry of probation period or date in which he has been pardoned;
- (d) becomes bankrupt under the laws of any country or makes any arrangement or composition with his creditors generally, or had liquidation proceeding commenced against him by a court;
- (e) has been sanctioned for dishonouring checks or other credit instruments, and the term of such sanction has not expired yet;
- (f) loses all or part of legal capacity as defined under the Taiwan Laws;
- (g) dies or is found to be or becomes of unsound mind or a patient for any purpose of any statute or applicable law relating to mental health and the Directors resolve that his office be vacated;
- (h) 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 any law or enactment;
- (i) resigns his office by notice in writing to the Company;
- (j) is removed from office pursuant to Article 75 or the Taiwan Laws;
- (k) is vacated from his office automatically in accordance with Article 101.1; and/or
- (l) becomes subject to the order of commencement of assistance due to incapacity pursuant to relevant Taiwan law and the order has not yet been revoked

101.1 For so long as the Shares are listed on a Stock Market, subject to the Law and Taiwan Laws, if during the term of office of a Director, any Director (not including Independent Directors) transfers some or all of his Shares such that he holds less than one half of the total number of Shares held by him/her at the time of his/her election as a Director, he/she shall, ipso facto, be vacated from the office of Director automatically.

101.2 For so long as the Shares are listed on a Stock Market, subject to the Law and Taiwan Law, if any person is proposed for appointment as a Director (each such person a "proposed director") (not including Independent Directors) at a general meeting (the relevant "general meeting"), such proposed director's appointment shall not become effective (regardless of whether such appointment is purportedly approved at the relevant general meeting, and any resolution which purports to approve such appointment, to the extent it relates to the proposed director's appointment, shall be invalid and ineffective):

- (a) if the proposed director sells or transfers more than one half of the total number of Shares which he holds (or held) at the time of the relevant general meeting, during the period after the relevant general meeting, but prior to the commencement of such proposed director's term of office; or
- (b) the proposed director sells or transfers more than one half of the total number of Shares which he holds (or held) at the commencement of the relevant Register Closure Period, during the relevant Register Closure Period.

For the purpose of this Article 101.2 the "Register Closure Period" means, in relation to any general meeting, the period during which the Register of Shareholders is closed for transfers of Shares prior to such general meeting up to and including the date of such general meeting."

- 102. Except as approved by the Taipei Exchange or TWSE or the Commission, the following relationships shall not exist among more than half of the Company's Directors: (1) A spousal relationship; or (2) A familial relationship within the second degree of kinship as defined under the Taiwan Laws.
- 103. When the Company convenes a general meeting for the election of Directors and the original selectees do not meet the conditions stipulated in the preceding Article 102, the election of the Director receiving the lowest number of votes among those Directors not meeting the conditions shall be deemed invalid and void. When a Person serving as Director violates the preceding Article 102, that Person shall cease to act as a Director.
- 104. When the number of Directors falls below five due to a Director ceasing to act for any reason, the Company shall hold a by-election for Director at the next following general meeting of Shareholders. When the number of Directors falls short by one-third of the total number of Directors of the same term elected pursuant to these Articles, the Company shall convene an extraordinary general meeting within sixty days of the occurrence of that fact to hold a by-election for Directors. The term of each new Director shall be the remainder of the term of each respective Director whose seat has become vacant.

PROCEEDINGS OF DIRECTORS

- 105. The Directors may meet together (either within or without the Cayman Islands) for the dispatch of business, adjourn, and otherwise regulate their meetings and proceedings, as they think fit. Unless otherwise provided, questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote. A Director may, and on the requisition of a Director shall, at any time summon a meeting of the Directors.
- 106. A Director may participate in any meeting of the Board, or of any committee appointed by the Board of which such Director is a member, by means of video conference and such participation shall be deemed to constitute presence in person at the meeting.
- 107. Unless otherwise provided, the quorum necessary for the transaction of the business of the Directors shall be more than one-half of the Directors. A Director represented by proxy or by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.
- 108. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company or other items to be considered at a meeting of the Directors in the meeting shall declare the nature of his interest at such meeting. A general notice given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made.

A Director who has a personal interest whether directly or indirectly in a matter under discussion at a meeting of the Board, shall declare the nature of his/her/its interest and explain the material information regarding such interest at the same meeting of the Board. 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 a personal interest in the matter under discussion at a meeting of the Board, such Director shall be deemed to have a personal interest in such matter. If such personal interest may be adverse to the interest of the Company, such Director cannot cast its/his/her own vote or vote by proxy on behalf of another Director. Such Director shall not be counted in the number of votes of Directors present at the Board meeting (but shall still be counted in the quorum for such meeting). In the event the Company is engaging in any Merger, Acquisition, or Spin-off, each Director shall disclose the material information of his or her personal interest with such transaction, and his or her reason(s) to approve or disapprove the proposed resolution of such transaction in the relevant Board meeting and the meeting of Shareholders; and the Company shall disclose the material information of his or her personal interest with such transaction, together with his or her reason(s) to approve or disapprove the proposed resolution of such transaction in the notice to convene a Shareholder Meeting; the material information may be uploaded onto the website designated by the Commission or the Company, and such website shall be indicated in the notice of general meeting.

109. Notwithstanding the preceding Articles, a Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director 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.
110. Subject to these Articles, any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.
111. The Directors shall cause all minutes to be made in books or loose-leaf folders provided for the purpose of recording:
 - (a) all appointments of officers made by the Directors;
 - (b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and
 - (c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.
112. The continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for summoning a general meeting of the Company, but for no other purpose.
113. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the committee members present may choose one of their number to be chairman of the meeting.

114. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present.
115. All acts done by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director.
116. Subject to Article 31(A), the following actions require the approval of a majority of the votes of the Directors present at a Board meeting attended by at least two-thirds of all Directors:
 - (a) entering into, amendment to, or termination of any contract for lease of its business in whole, or for entrusted business, or for regular joint operation with others;
 - (b) the sale or transfer of the whole or any material part of its business or assets;
 - (c) taking over the transfer of another's whole business or assets, which will have a material effect on the business operation of the Company;
 - (d) the election of Chairman of the Board pursuant to these Articles;
 - (e) issuance of corporate bonds; and
 - (f) any other actions as set forth in the Taiwan Laws.

DIVIDENDS

117. If the Company records a profit in a year, the Company shall reserve no less than 1% of the profit for employee compensations, and no more than 3% of the profit for director compensation. If, however, the Company has accumulated losses, profit shall be used to offset accumulated losses first. Employee compensations may be distributed in the form of cash or in the form of Shares, and the employees entitled to receive the compensation may include the employees of the Company and the Company's controlled companies meeting specific requirements set by the Board.

The Company may distribute profits in accordance with a proposal for distribution of profits prepared by the Directors and approved by the Shareholders by an Ordinary Resolution at the general meeting. The Board shall set aside out of the profits of the Company for each financial year: (i) a settlement for payment of tax for the relevant financial year; (ii) an offset of its losses in previous years that have not been previously offset; (iii) a statutory reserve in an amount of 10% of such net profits ("Legal Reserve") until the accumulated amount of the Legal Reserve is equal to or higher than the total authorized share capital of the Company; (iv) special capital reserve, if one is required, in accordance with the Applicable Listing Rules or as required by the competent authorities.

Subject to the aforesaid, the Board may distribute any remaining profits for the relevant financial year plus all accumulative and undistributed profits from previous years ("Distributable Profit") in the following manner upon approval by the Shareholders.

The Company's business belongs to a capital intensive industry, and is in a growing stage. As the Company may have capital requirements for further capital expenditures in the next few years, when making the proposal of dividends distribution, the Board may take into consideration financial, business and operational factors for proposing a dividend/bonus distribution plan in accordance with the Law and the Applicable Listing Rules. The Shareholders' dividends shall not be less than 10% of Distributable Profits. The Shareholders' dividends may be

distributed in the form of cash dividends or share dividends, but the ratio of cash dividends shall not be less than 10% of the total dividends proposed to be distributed for the then current year.

118. The usage of the Legal Reserve shall be subject to the Applicable Listing Rules. Subject to the Law and Taiwan Laws, when the Company does not have any retained or accumulated losses on its books, the Company may, by Supermajority Resolution Type A or Supermajority Resolution Type B, distribute, in whole or in part, amounts standing to the credit of (1) the Legal Reserve, and/or (2) the Share Premium Account and/or the income from endowments received by the Company from the Capital Reserve, in cash, to its Shareholders in proportion to the number of Shares being held by each of them.
119. Any dividend may be paid by cheque sent through the post to the registered address of the Shareholder or Person entitled thereto, or in the case of joint holders, to the representative of such joint holders at his registered address or to such Person and such address as the Shareholder or Person entitled, or such joint holders as the case may be, may direct. Every such cheque shall be made payable to the order of the Person to whom it is sent or to the order of such other Person as the Shareholder or Person entitled, or such joint holders as the case may be, may direct.
120. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the number of the Shares held by the Shareholders.
121. If several Persons are registered as joint holders of any Share, any of them may give effectual receipts for any dividend or other moneys payable on or in respect of the Share.
122. No dividend shall bear interest against the Company.
123. No dividend shall be declared or paid or shall be made otherwise than in accordance with the Law.

ACCOUNTS, AUDIT, AND ANNUAL RETURN AND DECLARATION

124. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.
125. The books of account shall be kept at the Registered Office or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
126. No Shareholder (not being a Director) or other person shall have any right of inspecting any account or book or document of the Company except as conferred by the Law and Taiwan Laws or ordered by a court of competent jurisdiction or authorised by the Board or the Company in general meeting.
127. After the end of each fiscal year, the Board shall prepare and submit the financial statements and records and such other reports and documents as may be required by the Law and the Taiwan Laws to the annual general meeting of Shareholders for ratification and after the meeting shall distribute to each Shareholder the copies of ratified financial statements and the resolutions on the earnings distribution and/or loss offsetting and the distribution thereof may be made solely by public notice.
128. The Board shall keep copies of the yearly business report and financial statements at the office of its Shareholders' Service Agent ten (10) days before the annual general meeting and any Shareholder is entitled to inspect such documents during normal business hours of such service agent.
129. Except as otherwise provided under these Articles, Directors shall from time to time determine whether and to what extent and at what times and places and under what

conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.

130. The accounts relating to the Company's affairs shall only be audited in such manner and with such financial year end as may be determined from time to time by the Directors, or required by the Applicable Listing Rules or other Taiwan Laws.
131. The Directors 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.

AUDIT

132. The Directors may appoint an Auditor of the Company who shall hold office until removed from office by a resolution of the Directors and may fix his remuneration.
133. Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.
134. Auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment, and at any time during their term of office, upon request of the Directors or any general meeting of the Shareholders.

CAPITALISATION OF RESERVE

135. (A) For purpose of the Articles, Capital Reserve means (1) the Share Premium Account, (2) the income from endowments received by the Company, and (3) other items required to be treated as Capital Reserve pursuant to the Taiwan Laws. Capital Reserve may only be used for (a) making good the loss of the Company, (b) capitalisation as set forth in the Article 135, or (c) as otherwise provided for in the Taiwan Laws and/or the Law.

(B) Subject to the Law and Applicable Listing Rules, when the Company does not have any retained or accumulated losses on its books, the Company may, by Supermajority Resolution Type A or Supermajority Resolution Type B, capitalize, in whole or in part, amounts standing to the credit of (1) the Legal Reserve, and/or (2) the Share Premium Account and/or the income from endowments received by the Company from the Capital Reserve by issuing new shares to its Shareholders in proportion to the number of Shares being held by each of them. Article 8 is not applicable for the issuance of new Share pursuant to Article 135 herein.

TENDER OFFER

136. Within seven days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its litigation or non-litigation agent appointed pursuant to the Applicable Listing Rules, the Board shall resolve to recommend to the Shareholders whether to accept or object to the tender offer and make a public announcement of the following:
 - (a) the types and number of the Shares held by the Directors and the Shareholders holding more than 10% of the outstanding Shares in its own name or in the name of other Persons;
 - (b) recommendations to the Shareholders on the tender offer, which shall set forth the names of the Directors who abstain or object to the tender offer and the reason(s) therefore;

- (c) whether there is any material change in the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any; and
- (d) the types, numbers and amount of the Shares of the tender offeror or its affiliates held by the Directors and the Shareholders holding more than 10% of the outstanding Shares held in its own name or in the name of other Persons.

SHARE PREMIUM ACCOUNT

- 137. The Directors shall in accordance with the Law establish a Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.
- 138. There shall be debited to any Share Premium Account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Law, out of capital.
- 139. The Company shall at all times comply with the provisions of the Law in relation to the share premium account, the premiums attaching to Shares and the capital redemption reserve fund.

WINDING UP

- 140. Subject to the Law, if the Company shall be wound up, and the assets available for distribution amongst the Shareholders 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 Shareholders in proportion to the number of the Shares held by them. If in a winding up the assets available for distribution amongst the Shareholders 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 Shareholders 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.
- 141. 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 and in compliance with the Applicable Listing Rules, divide amongst the Shareholders 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 Shareholders 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 Shareholders as the liquidator, with the like sanction shall think fit, but so that no Shareholder shall be compelled to accept any asset whereon there is any liability.
- 142. The Company shall keep all statements, records of account and documents for a period of ten years from the date of the completion of liquidation, and the custodian thereof shall be appointed by the liquidator or the Company by Ordinary Resolution.

NOTICES

- 143. Subject to the Law and except as otherwise provided in these Articles, any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder 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 Shareholder at his address as appearing in the Register, or to the extent permitted by all applicable laws and regulations, by posting on the MOPS or the Company's website, by electronic means by transmitting it to any electronic mail number or address such Shareholder may have positively confirmed in writing for

the purpose of such service of notices. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands as their representative in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

144. Any Shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where required, of the purposes for which such meeting was convened.
145. Any notice or other document, if served by:
- (a) post or courier, shall be deemed to have been served five days after the time when 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) recognised courier service, shall be deemed to have been served 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.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service

146. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with the terms of these Articles shall notwithstanding that such Shareholder 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 Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.
147. Notice of every general meeting of the Company shall be given to:
- (a) all Shareholders holding Shares with the right to receive notice as at the record date and who have supplied to the Company an address for the giving of notices to them; and
 - (b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting and has informed the Company with the supporting documents as requested by and satisfactory to the Company.

No other Person shall be entitled to receive notices of general meetings.

AMENDMENT OF MEMORANDUM AND ARTICLES

148. Subject to the Law, Taiwan Laws and the Articles including without limitation Article 13, the Company may at any time and from time to time by a Special Resolution alter or amend the Memorandum of Association or these Articles in whole or in part.

OFFICES OF THE COMPANY

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

addition to its Registered Office, may establish and maintain an office in the Cayman Islands or elsewhere as the Directors may from time to time determine.

INFORMATION

150. The Board shall keep at the office of its Shareholders' Service Agent in Taiwan copies of these Articles, the minutes of every meeting of the Shareholders and the financial statements, the Register of Shareholders and the counterfoil of corporate bonds issued by the Company. Any Shareholder of the Company may request, by submitting evidentiary document(s) to show his interests involved and indicating the scope of interested matters, access to inspect, review, make copies or duplicate of the above records. The Company shall cause the Shareholders' Service Agent to provide such Shareholder(s) with access to above documents.
151. Without prejudice to the rights set forth in these Articles, no Shareholder shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the members of the Company to communicate to the public.
152. The Board shall be entitled to release or disclose to any regulatory or judicial authority any information in its possession, custody or control regarding the Company or its affairs to any of its Shareholder including, without limitation, information contained in the Register of Shareholders and transfer books of the Company

INDEMNITY

153. Every Director (including for the purposes of this article any alternate Director appointed pursuant to the provisions of these Articles), the Managing Directors, every alternate Directors, every Auditor, every Secretary and other officer for the time being and from time to time of the Company and its subsidiaries (each an "**Indemnified Person**") shall be indemnified and secured harmless out of the assets and funds of the Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person (including as a result of any mistake of judgment), other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud (in each case, as determined in a final, non-appealable judgement by a court of competent jurisdiction), in or about the conduct of the Company's business or affairs or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere.
154. No Indemnified Person shall be liable to the Company unless such liability arises through such Indemnified Person's own dishonesty, wilful default or fraud (in each case, as determined in a final, non-appealable judgement by a court of competent jurisdiction).

NON-RECOGNITION OF TRUSTS

155. Subject to the proviso hereto, no Person shall be recognised by the Company as holding any Share upon any trust and the Company shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or (except only as otherwise provided by these Articles or as the Law requires) any other right in respect of any Share except an absolute right to the entirety thereof in each Shareholder registered in the Register, provided that, notwithstanding the foregoing, the Company shall be entitled to recognise any such interests as shall be determined by the Directors in their absolute discretion.

FINANCIAL YEAR

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

LITIGIOUS AND NON-LITIGIOUS AGENT

157. For so long as the Shares are listed on a Stock Market, subject to the Law and Taiwan Laws, the Board shall appoint a person to be the Company's litigious and non-litigious agent in Taiwan. The litigious and non-litigious agent shall be the responsible person of the Company in Taiwan and shall have residence or domicile in Taiwan.

Annex 2. Rules and Procedures of Shareholders' Meeting

北極星藥業集團股份有限公司

Rules and Procedures of Members Meeting

PG-27 股東會議事規則

北極星藥業集團股份有限公司

- To establish a strong governance system and sound Supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

為建立本公司良好股東會治理制度、健全監督功能及強化管理機能，爰依上市上櫃公司治理實務守則第五條規定訂定本規則，以資遵循。
- The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

本公司股東會之議事規則，除法令或章程另有規定者外，應依本規則之規定。
- Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors.

本公司股東會除法令另有規定外，由董事會召集之。

Changes to the method of convening the shareholders' meeting of the Company shall be subject to a resolution of the board of directors, and shall be made no later than before the shareholders' meeting notice is dispatched.

本公司股東會召開方式之變更應經董事會決議，並最遲於股東會開會通知書寄發前為之。

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, and upload them to the Market Observation Post System (MOPS) at least 30 days prior to the date of a regular shareholders meeting or at least 15 days prior to the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS at least 21 days prior to the date of the regular shareholders meeting or at least 15 days prior to the date of the special shareholders meeting. However, if the Company's paid-in capital at the end of the most recent fiscal year is NT\$10 billion or more, or the Company holds an regular shareholders meeting in the most recent fiscal year, and the shareholder register records that the total shareholding ratio of foreign and China mainland investors is more than 30%, the

transmission of the pre-opened electronic files shall be completed 30 days before the ordinary shareholders' meeting. In addition, at least 15 days prior to the date of the shareholders meeting, the Company shall also prepare 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 its shareholder services agent.

本公司應於股東常會開會三十日前或股東臨時會開會十五日前，將股東會開會通知書、委託

書用紙、有關承認案、討論案、選任或解任董事事項等各項議案之案由及說明資料製作成電子檔案傳送至公開資訊觀測站。並於股東常會開會二十一日前或股東臨時會開會十五日前，將股東會議事手冊及會議補充資料，製作電子檔案傳送至公開資訊觀測站，但本公司於最近會計年度終了日實收資本額達新臺幣一百億元以上或最近會計年度召開股東常會其股東名簿記載之外資及陸資持股比率合計達百分之三十以上者，應於股東常會開會三十日前完成前開電子檔案之傳送。股東會開會十五日前，備妥當次股東會議事手冊及會議補充資料，供股東隨時索閱，並陳列於公司及其股務代理機構。

The shareholders meeting agenda and supplemental meeting materials of the preceding paragraph shall be provided to shareholders for reference by the Company on the day of the shareholders meeting in the following manners:

- i. When a physical shareholders meeting is held, it shall be distributed on the spot of the shareholders meeting.
- ii. When a video-assisted shareholders meeting is held, it shall be distributed on the spot of the shareholders' meeting and sent to the video-conferencing platform as an electronic file.
- iii. When convening a video conference of shareholders meeting is held, the electronic file shall be sent to the video conference platform.

前項之議事手冊及會議補充資料，本公司於股東會開會當日應依下列方式提供股東參閱：

- 一、召開實體股東會時，應於股東會現場發放。
- 二、召開視訊輔助股東會時，應於股東會現場發放，並以電子檔案傳送至視訊會議平台。
- 三、召開視訊股東會時，應以電子檔案傳送至視訊會議平台。

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

通知及公告應載明召集事由；其通知經相對人同意者，得以電子方式為之。

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an

extraordinary motion

選任或解任董事、變更章程、減資、申請停止公開發行、董事競業許可、盈餘轉增資、公積轉增資、公司解散、合併、分割或公司法第一百八十五條第一項各款之事項、證券交易法第二十六條之一、第四十三條之六、發行人募集與發行有價證券處理準則第五十六條之一及第六十條之二之事項，應在召集事由中列舉並說明其主要內容，不得以臨時動議提出。

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

股東會召集事由已載明全面改選董事、監察人，並載明就任日期，該次股東會改選完成後，同次會議不得再以臨時動議或其他方式變更其就任日期。

Company a written proposal for discussion at a regular 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, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

持有已發行股份總數百分之一以上股份之股東，得以書面向本公司提出股東常會議案。但以

一項為限，提案超過一項者，均不列入議案。另股東所提議案有公司法第172條之1第4項各款情形之一，董事會得不列為議案。

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

本公司應於股東常會召開前之停止股票過戶日前公告受理股東之提案、書面或電子受理方式、受理處所及受理期間；其受理期間不得少於十日。

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

股東所提議案以三百字為限，超過三百字者，不予列入議案；提案股東應親自或委託他人出

席股東常會，並參與該項議案討論。

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

本公司應於股東會召集通知日前，將處理結果通知提案股東，並將合於本條規定之議案列於

開會通知。對於未列入議案之股東提案，董事會應於股東會說明未列入之理由。

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.

股東得於每次股東會，出具本公司印發之委託書，載明授權範圍，委託代理人，出席股東會。

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company at least 5 days prior to the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

一股東以出具一委託書，並以委託一人為限，應於股東會開會五日前送達本公司，委託書有

重複時，以最先送達者為準。但聲明撤銷前委託者，不在此限。

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company at least 2 business days prior to the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

委託書送達本公司後，股東欲親自出席股東會或欲以書面或電子方式行使表決權者，至遲應於股東會開會二日前，以書面向本公司為撤銷委託之通知；逾期撤銷者，以委託代理人出席行使之表決權為準。

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting by video conferencing, a written notice of proxy cancellation shall be submitted to the Company at least 2 business days prior to the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

委託書送達本公司後，股東欲以視訊方式出席股東會，應於股東會開會二日前，以書面向本公司為撤銷委託之通知；逾期撤銷者，以委託代理人出席行使之表決權為準。

5. The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the Independent Directors with respect to the place and time of the meeting.

股東會召開之地點，應於本公司所在地或便利股東出席且適合股東會召開之地點為之，會議

開始時間不得早於上午九時或晚於下午三時，召開之地點及時間，應充分考量獨立董事之意見。

When the company hold a video-conference shareholders meeting, it is not subject to the restriction on the venue of the preceding paragraph.

本公司召開視訊股東會時，不受前項召開地點之限制。

6. The Company shall furnish the attending shareholders or their proxies (collectively, "shareholders"), with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

本公司應設簽名簿供出席股東本人或股東所委託之代理人(以下稱股東)簽到，或由出

席股東

繳交簽到卡以代簽到。

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, pre-printed ballots shall also be furnished.

本公司應將議事手冊、年報、出席證、發言條、表決票及其他會議資料，交付予出席股東會

之股東；有選舉董事者，應另附選舉票。

A shareholder shall attend a shareholders' meeting on the basis of the attendance card, sign-in card, or other supporting document. Solicitors soliciting proxy forms shall also bring identification documents for verification.

股東應憑出席證、出席簽到卡或其他出席證件出席股東會；屬徵求委託書之徵求人並應攜帶

身分證明文件，以備核對。

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 is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

政府或法人為股東時，出席股東會之代表人不限於一人。法人受託出席股東會時，僅得指派

一人代表出席。

When the shareholders meeting is held by video conference, shareholders who intend to attend by video conference shall register with the Company at least 2 business days prior to the meeting date.

股東會以視訊會議召開者，股東欲以視訊方式出席者，應於股東會開會二日前，向本公司登記。

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

股東會以視訊會議召開者，本公司至少應於會議開始前三十分鐘，將議事手冊、年報及其他相關資料上傳至股東會視訊會議平台，並持續揭露至會議結束。

6-1 When the company holds the shareholders' meeting by video conference, the following matters shall be stated in shareholders meeting notice:

- i. Shareholders' participation in video conferences and methods of exercising their rights.
- ii. Due to natural disasters, incidents or other force majeure circumstances, the handling of obstacles to the video conferencing platform or participation in video conferences should include at least the following:
 - (a) The occurrence of preceding obstacles that persist and cannot be ruled out leading to the time and the date when the meeting needs to be postponed or resumed.
 - (b) Shareholders who have not registered to participate in the shareholders meeting by video conference shall not participate in the postponed or continued meeting
 - (c) To hold a video-assisted shareholders meeting, if the video conference cannot be

continued, after deducting the number of shares attending the shareholders meeting by video, the total number of shares attending the shareholders meeting reaches the statutory quota for the shareholders meeting, and the shareholders meeting should continue. The number of shares present shall be included in the total number of shares of shareholders present, and all resolutions of the shareholders meeting shall be waived his/her rights.

- (d) How to handle the situation where all the resolutions have been announced and no provisional motion has been made.
- iii. Hold a video-conference shareholders meeting and specify appropriate alternatives to shareholders who have difficulty participating in video conference.

本公司召開股東會視訊會議，應於股東會召集通知載明下列事項：

一、股東參與視訊會議及行使權利方法。

二、因天災、事變或其他不可抗力情事致視訊會議平台或以視訊方式參與發生障礙之處理方式，至少包括下列事項：

(一)發生前開障礙持續無法排除致須延期或續行會議之時間，及如須延期或續行集會時之日期。

(二)未登記以視訊參與原股東會之股東不得參與延期或續行會議。

(三)召開視訊輔助股東會，如無法續行視訊會議，經扣除以視訊方式參與股東會之出席股數，出席股份總數達股東會開會之法定定額，股東會應繼續進行，以視訊方式參與股東，其出席股數應計入出席之股東股份總數，就該次股東會全部議案，視為棄權。

(四)遇有全部議案已宣布結果，而未進行臨時動議之情形，其處理方式。

三、召開視訊股東會，並應載明對以視訊方式參與股東會有困難之股東所提供之適當替代措施。

7. 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 Directors to act as chair. Where the chairperson does not make such a designation, the Directors shall select from among themselves one person to serve as chair.

股東會如由董事會召集者，其主席由董事長擔任之，董事長請假或因故不能行使職權時，由

董事長指定董事一人代理之，董事長未指定代理人者，由董事互推一人代理之。

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

董事會所召集之股東會，董事長宜親自主持，且宜有董事會過半數之董事、及各類功能性委員會成員至少一人代表出席，並將出席情形記載於股東會議事錄。

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.

股東會如由董事會以外之其他召集權人召集者，主席由該召集權人擔任之，召集權

人有二人

以上時，應互推一人擔任之。

The Company may permit its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

本公司得指派所委任之律師、會計師或相關人員列席股東會。

8. (Documentation of a shareholders meeting by audio or video)

This Corporation, 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 one 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.

If the shareholders meeting is held by video conference, the company shall record and save the shareholders registration, attendance registration, questioning, voting and company vote counting results, and record and video the entire video conference without interruption.

The above-mentioned materials and audio and video recordings shall be properly retained by the Company during the period of existence, and the audio and video recordings shall be provided to those who are entrusted to handle video conference affairs for preservation.

本公司應於受理股東報到時起將股東報到過程、會議進行過程、投票計票過程全程連續不間斷錄音及錄影。

前項影音資料應至少保存一年。但經股東依公司法第一百八十九條提起訴訟者，應保存至訴訟終結為止。

股東會以視訊會議召開者，本公司應對股東之註冊、登記、報到、提問、投票及公司計票結果等資料進行記錄保存，並對視訊會議全程連續不間斷錄音及錄影。

前項資料及錄音錄影，本公司應於存續期間妥善保存，並將錄音錄影提供受託辦理視訊會議事務者保存。

9. Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed and the number of shares registered on the video conference platform in plus the number of shares whose voting rights are exercised by correspondence or electronically.

股東會之出席，應以股份為計算基準。出席股數依簽名簿或繳交之簽到卡及視訊會議平台報到股數，加計以書面或電子方式行使表決權之股數計算之。

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 one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. If the shareholders meeting is held by video conference, the Company shall also announce the meeting adjourned on the video conference platform of the shareholders meeting.

已屆開會時間，主席應即宣布開會，並同時公布無表決權數及出席股份數等相關資訊。

惟未有代表已發行股份總數過半數之股東出席時，主席得宣布延後開會，其延後次數以二次為限，延後時間合計不得超過一小時。延後二次仍不足有代表已發行股份總數三分之一以上股東出席時，由主席宣布流會；股東會以視訊會議召開者，本公司另應於股東會視訊會議平台公告流會。

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month. If the shareholders meeting is held by video conference, shareholders who intend to attend by video conference shall re-register with the Company in accordance with Article 6.

前項延後二次仍不足額而有代表已發行股份總數三分之一以上股東出席時，得依公司法第一

百七十五條第一項規定為假決議，並將假決議通知各股東於一個月內再行召集股東會；股東會以視訊會議召開者，股東欲以視訊方式出席者，應依第六條向本公司重行登記。

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

於當次會議未結束前，如出席股東所代表股數達已發行股份總數過半數時，主席得將作成之

假決議，依公司法第一百七十四條規定重新提請股東會表決。

10. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

股東會如由董事會召集者，其議程由董事會訂定之，相關議案（包括臨時動議及原議案修正）均應採逐案票決，會議應依排定之議程進行，非經股東會決議不得變更之。

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.

股東會如由董事會以外之其他有召集權人召集者，準用前項之規定。

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.

前二項排定之議程於議事(含臨時動議)未終結前，非經決議，主席不得逕行宣布散會；
主席

違反議事規則，宣布散會者，董事會其他成員應迅速協助出席股東依法定程序，以出席股東表決權過半數之同意推選一人擔任主席，繼續開會。

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

主席對於議案及股東所提之修正案或臨時動議，應給予充分說明及討論之機會，認為已達可

付表決之程度時，得宣布停止討論，提付表決。

11. 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.

出席股東發言前，須先填具發言條載明發言要旨、股東戶號（或出席證編號）及戶名，由主席定其發言順序。

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.

出席股東僅提發言條而未發言者，視為未發言。發言內容與發言條記載不符者，以發言內容為準。

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.

同一議案每一股東發言，非經主席之同意不得超過兩次，每次不得超過五分鐘，惟股東發

言違反規定或超出議題範圍者，主席得制止其發言。

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.

出席股東發言時，其他股東除經徵得主席及發言股東同意外，不得發言干擾，違反者主席應予制止。

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.

法人股東指派二人以上之代表出席股東會時，同一議案僅得推由一人發言。

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

出席股東發言後，主席得親自或指定相關人員答覆。

If the shareholders meeting is held by video conference, the shareholders participating by video conference may ask questions in text form on the video conference platform of the shareholders meeting after the chairman announces the meeting and before the announcement of the adjournment of the meeting, which is not applicable to paragraph 1 to 5.

股東會以視訊會議召開者，以視訊方式參與之股東，得於主席宣布開會後，至宣布散會前，於股東會視訊會議平台以文字方式提問，每一議案提問次數不得超過兩次，每次以二百字為限，不適用第一項至第五項規定。

12. Voting at a shareholders meeting shall be calculated based on the number of shares.

股東會之表決，應以股份為計算基準。

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.

股東會之決議，對無表決權股東之股份數，不算入已發行股份之總數。

When a shareholder is an interested party in relation to an agenda item, and there is 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.

股東對於會議之事項，有自身利害關係致有害於本公司利益之虞時，不得加入表決，並不得

代理其他股東行使其表決權。

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 three 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.

前項不得行使表決權之股份數，不算入已出席股東之表決權數。除信託事業或經證券主管機關核准之股務代理機構外，一人同時受二人以上股東委託時，其代理之表決權不得超過已發行股份總數表決權之百分之三，超過時其超過之表決權，不予計算。

13. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

股東每股有一表決權；但受限制或公司法第 179 條第二項所列無表決權者，不在此限。

When this Corporation holds a shareholder 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. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in

person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

本公司召開股東會時，應採行以電子方式並得採行以書面方式行使其表決權；其以書面或電子方式行使表決權時，其行使方法應載明於股東會召集通知。以書面或電子方式行使表決權之股東，視為親自出席股東會。但就該次股東會之臨時動議及原議案之修正，視為棄權，故本公司宜避免提出臨時動議及原議案之修正

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 at least 2 days prior to the date of the shareholders meeting. When duplicate declarations of intent are delivered, the declaration received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

前項以書面或電子方式行使表決權者，其意思表示應於股東會開會二日前送達公司，意思表示

示有重複時，以最先送達者為準。但聲明撤銷前意思表示者，不在此限。

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or by video conference, 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, at least 2 business days prior to 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.

股東以書面或電子方式行使表決權後，如欲親自或以視訊方式出席股東會者，至遲應於股東會開會二日前以與行使表決權相同之方式撤銷前項行使表決權之意思表示；逾期撤銷者，以書面或電子方式行使之表決權為準。如以書面或電子方式行使表決權並以委託書委託代理人出席股會者，以委託代理人出席行使之表決權為準。

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

議案之表決，除公司法及本公司章程另有規定外，以出席股東表決權過半數之同意通過之。表決時，應逐案由主席或其指定人員宣佈出席股東之表決權總數後，由股東逐案進行投票表決，並於股東會召開後當日，將股東同意、反對及棄權之結果輸入公開資訊觀測站。

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.

同一議案有修正案或替代案時，由主席併同原案定其表決之順序。如其中一案已獲通過時，

其他議案即視為否決，勿庸再行表決。

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.

議案表決之監票及計票人員，由主席指定之，但監票人員應具有股東身分。

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.

股東會表決或選舉議案之計票作業應於股東會場內公開處為之，且應於計票完成後，當場宣布表決結果，包含統計之權數，並作成紀錄。

The Company convened a video conference of the shareholders' meeting. Shareholders who participated by video shall conduct voting on various resolutions and voting on election proposals through the video conference platform after the chairman announces the meeting. The voting shall be completed before the chairman announces the close of voting. Those who exceed the time limit would be deemed a waiver.

本公司召開股東會視訊會議，以視訊方式參與之股東，於主席宣布開會後，應透過視訊會議平台進行各項議案表決及選舉議案之投票，並應於主席宣布投票結束前完成，逾時者視為棄權。

If the shareholders meeting is held by video conference, after the chairman announces the close of voting, the votes shall be counted at one time, and the voting and election results shall be announced.

股東會以視訊會議召開者，應於主席宣布投票結束後，為一次性計票，並宣布表決及選舉結果。

When the Company holds a video-assisted shareholders meeting, shareholders who have registered to attend the shareholders' meeting by video-conference in accordance with the Article 6, who intend to attend the physical shareholders' meeting in person, shall cancel the registration in the same manner as the registration at least 2 business days prior to the meeting date; Those who cancel within the time limit can only attend the shareholders' meeting by video conferencing.

本公司召開視訊輔助股東會時，已依第六條規定登記以視訊方式出席股東會之股東，欲親自出席實體股東會者，應於股東會開會二日前，以與登記相同之方式撤銷登記；逾期撤銷者，僅得以視訊方式出席股東會。

A shareholder exercise voting rights by correspondence or electronic means without revoking their intentions and participate in the shareholders meeting by video conferencing shall not exercise their voting rights on the original agenda or propose amendments to the original agenda or exercise the voting rights for amendments to the original agenda, except for

temporary motions.

以書面或電子方式行使表決權，未撤銷其意思表示，並以視訊方式參與股東會者，除臨時動議外，不得再就原議案行使表決權或對原議案提出修正或對原議案之修正行使表決權。

14. The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, 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.

股東會有選舉董事時，應依本公司所訂相關選任規範辦理，並應當場宣布選舉結果，包含當選董事、監察人之名單與其當選權數及落選董監事名單及其獲得之選舉權數。

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 ballots shall be retained until the conclusion of the litigation.

前項選舉事項之選舉票，應由監票員密封簽字後，妥善保管，並至少保存一年。但經股東依

公司法第一百八十九條提起訴訟者，應保存至訴訟終結為止。

15. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

股東會之議決事項，應作成議事錄，由主席簽名或蓋章，並於會後二十日內，將議事錄分發

各股東。議事錄之製作及分發，得以電子方式為之。

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

前項議事錄之分發，得以輸入公開資訊觀測站之公告方式為之。

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of this Corporation.

議事錄應確實依會議之年、月、日、場所、主席姓名、決議方法、議事經過之要領及表決結果（包含統計之權數）記載之，有選舉董事時，應揭露每位候選人之得票權數。在本公司存續期間，應永久保存。

If the shareholders meeting is held by video conference, the shareholders meeting minutes shall record the start and end time of the shareholders meeting, the method of convening the meeting, the name of the chairman and the recorder, as well as the events caused by natural disasters, incidents or other force majeure. The handling method and handling situation when an obstacle occurs to the video conferencing platform or participation by video conferencing.

股東會以視訊會議召開者，其議事錄除依前項規定應記載事項外，並應記載股東會之開會起迄時間、會議之召開方式、主席及紀錄之姓名，及因天災、事變或其他不可抗力情事致視訊會議平台或以視訊方式參與發生障礙時之處理方式及處理情形。

In addition to complying with the the preceding paragraph when convening a video-conference shareholders meeting, the Company shall specify in the meeting minutes the alternative measures provided by shareholders who have difficulty participating in video-conference.

本公司召開視訊股東會，除應依前項規定辦理外，並應於議事錄載明，對於以視訊方式參與股東會有困難股東提供之替代措施。

16. 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, the number of shares represented by proxies and the number of shares attended by shareholders in writing or electronically, and shall make an express disclosure of the same at the place of the shareholders meeting. If the shareholders meeting is held by video conference, the Company shall upload the aforementioned information to the video conference platform of the shareholders' meeting at least 30 minutes before the start of the meeting, and continue to disclose it until the end of the meeting.

徵求人徵得之股數、受託代理人代理之股數及股東以書面或電子方式出席之股數，本公司應於股東會開會當日，依規定格式編造之統計表，於股東會場內為明確之揭示；股東會以視訊會議召開者，本公司至少應於會議開始前三十分鐘，將前述資料上傳至股東會視訊會議平台，並持續揭露至會議結束。

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

本公司召開股東會視訊會議，宣布開會時，應將出席股東股份總數，揭露於視訊會議平台。如開會中另有統計出席股東之股份總數及表決權數者，亦同。

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.

股東會決議事項，如有屬法令規定、臺灣證券交易所股份有限公司（財團法人中華民國證券

櫃檯買賣中心）規定之重大訊息者，本公司應於規定時間內，將內容傳輸至公開資訊觀測站。

17. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

辦理股東會之會務人員應佩帶識別證或臂章。

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

主席得指揮糾察員或保全人員協助維持會場秩序。糾察員或保全人員在場協助維持

秩序時，

應佩戴「糾察員」字樣臂章或識別證。

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.

會場備有擴音設備者，股東非以本公司配置之設備發言時，主席得制止之。

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.

股東違反議事規則不服從主席糾正，妨礙會議之進行經制止不從者，得由主席指揮糾察員或保全人員請其離開會場。

18. 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.

會議進行時，主席得酌定時間宣布休息，發生不可抗拒之情事時，主席得裁定暫時停止會議，並視情況宣布續行開會之時間。

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.

股東會排定之議程於議事（含臨時動議）未終結前，開會之場地屆時未能繼續使用，得由股

東會決議另覓場地繼續開會。

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.

股東會得依公司法第一百八十二條之規定，決議在五日內延期或續行集會。

19. If the shareholders meeting is held by video conference, the Company shall immediately disclose the voting results and election results of various agendas on the video conference platform of the shareholders meeting in accordance with the regulations, and shall continue to disclose for at least 15 minutes after the chairman announces the adjournment of the meeting.

股東會以視訊會議召開者，本公司應於投票結束後，即時將各項議案表決結果及選舉結果，依規定揭露於股東會視訊會議平台，並應於主席宣布散會後，持續揭露至少十五分鐘。

20. When the Company holds a video-conference shareholders meeting, the chairman and the recorder shall be at the same place in Republic of China, and the chairman shall announce the address of the place at the time of the meeting.

本公司召開視訊股東會時，主席及紀錄人員應在國內之同一地點，主席並應於開會時宣布該地點之地址。

21. If the shareholders meeting is convened by video conference, before the chairman announces the adjournment of the meeting, due to natural disasters, incidents or other force majeure events, the video conference platform is blocked or the participation by video conference occurs, and if it lasts for more than 30 minutes, it shall be postponed or renewed within five days. For a meeting, the Article 182 of the Company Law shall not apply.

股東會以視訊會議召開者，於主席宣布散會前，因天災、事變或其他不可抗力情事，致視訊會議平台或以視訊方式參與發生障礙，持續達三十分鐘以上時，應於五日內延期或續行集會，不適用公司法第一百八十二條之規定。

In the event of the occurrence of the preceding paragraph, the meeting shall be postponed or continued. Shareholders who have not registered to participate in the original shareholders meeting by video conference shall not participate in the postponed or continued meeting.

發生前項應延期或續行會議，未登記以視訊參與原股東會之股東，不得參與延期或續行會議。

In accordance with the Paragraph 1, the meeting should be postponed or continued. Shareholders who have registered to participate in the original shareholders' meeting by video and have completed the registration, but who do not participate in the postponed or continued meeting, shall have the number of shares attended at the original shareholders' meeting, the voting rights they have exercised, and voting rights shall be included in the total number of shares, voting rights and the numbers of votes present at the adjourned or continued meeting.

依第1項規定應延期或續行會議，已登記以視訊參與原股東會並完成報到之股東，未參與延期或續行會議者，其於原股東會出席之股數、已行使之表決權及選舉權，應計入延期或續行會議出席股東之股份總數、表決權數及選舉權數。

When the shareholders meeting is postponed or reconvened in accordance with the Paragraph 1, it is not necessary to re-discuss and resolve the resolutions on which the voting and counting of votes have been completed, and the voting results or the list of elected directors and supervisors are announced.

依第1項規定辦理股東會延期或續行集會時，對已完成投票及計票，並宣布表決結果或董事、監察人當選名單之議案，無須重行討論及決議。

The Company convened a video-assisted shareholders meeting, and when the paragraph 1 cannot be continued, if the total number of shares attended by video conference still reaches the statutory quota for the shareholders' meeting after deducting the number of shares attended by video-conference, the shareholders meeting shall continue. There is no need to postpone or renew the assembly in accordance with the paragraph 1.

本公司召開視訊輔助股東會，發生第1項無法續行視訊會議時，如扣除以視訊方式出席股東會之出席股數後，出席股份總數仍達股東會開會之法定定額者，股東會應繼續進行，無須依第1項規定延期或續行集會。

In the event that the meeting should be continued in the preceding paragraph, the shareholders who participate in the shareholders' meeting by video conference, the number of shares attended shall be included in the total number of shares of the shareholders present, but all the resolutions of the shareholders meeting shall be regarded as abstention.

發生前項應繼續進行會議之情事，以視訊方式參與股東會股東，其出席股數應計入出席股東之股份總數，惟就該次股東會全部議案，視為棄權。

The Company shall postpone or renew the meeting in accordance with the Paragraph 1, and

shall handle relevant matters in accordance with the Article 44-27 of the Standards for Handling Share Transactions of Companies Offering Shares, relevant preparatory work shall be handled according to the date of the original shareholders' meeting and the provisions of this article..

本公司依第1項規定延期或續行集會，應依公開發行股票公司股務處理準則第四十四條之二十第七項所列規定，依原股東會日期及各該條規定辦理相關前置作業。

The last paragraph of Article 12 and Paragraph 3 of Article 13 of the Rules for the Use of Power of Attorney for Public Offering Companies to Attend Shareholders' Meetings, Paragraph 2 of Article 44-5 and Paragraph 2 of Article 44-10 of the Guidelines for the Handling of Share Transactions of Public Offering Companies 5. During the period specified in Paragraph 1 of Article 44-17, the Company shall postpone or renew the date of the shareholders' meeting in accordance with the Paragraph 1.

公開發行公司出席股東會使用委託書規則第十二條後段及第十三條第三項、公開發行股票公司股務處理準則第四十四條之五第二項、第四十四條之十五、第四十四條之十七第一項所定期間，本公司應依第1項規定延期或續行集會之股東會日期辦理。

22. When the Company convenes a video conference of shareholders, it shall provide appropriate alternatives for shareholders who have difficulty in attending the shareholders meeting by video.

本公司召開視訊股東會時，應對於以視訊方式出席股東會有困難之股東，提供適當替代措施。

23. These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

本規則經股東會通過後施行，修正時亦同。

Annex 3. Procedures for Election of Directors

Polaris Group 北極星藥業集團	
Name of Procedures 辦法名稱	Procedures for Election of Directors PG-22 董事選任程序
<p>1. To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies. 為公平、公正、公開選任董事，爰依「上市上櫃公司治理實務守則」第二十一條及第四十一條規定訂定本程序。</p> <p>2. Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures. 本公司董事之選任，除法令或章程另有規定者外，應依本程序辦理。</p> <p>3. The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards: 本公司董事之選任，應考量董事會之整體配置。董事會成員組成應考量多元化，並就本身運作、營運型態及發展需求以擬訂適當之多元化方針，宜包括但不限於以下二大面向之標準：</p> <ul style="list-style-type: none"> a. Basic requirements and values: Gender, age, nationality, and culture. 基本條件與價值：性別、年齡、國籍及文化等。 b. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.) 專業知識技能：專業背景（如法律、會計、產業、財務、行銷或科技）、專業技能及產業經驗等。 <p>Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows： 董事會成員應普遍具備執行職務所必須之知識、技能及素養，其整體應具備之能力如下：</p> <ul style="list-style-type: none"> a. The ability to make judgments about operations. 營運判斷能力。 b. Accounting and financial analysis ability. 	

- 會計及財務分析能力。
- c. Business management ability.
經營管理能力。
 - d. Crisis management ability.
危機處理能力。
 - e. Knowledge of the industry.
 - f. 產業知識。
 - g. An international market perspective.
國際市場觀。
 - h. Leadership ability.
領導能力。
 - i. Decision-making ability.
決策能力。

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

董事間應有超過半數之席次，不得具有配偶或二親等以內之親屬關係。

The board of directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.

本公司董事會應依據績效評估之結果，考量調整董事會成員組成。

4. The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

本公司獨立董事之資格，應符合「公開發行公司獨立董事設置及應遵循事項辦法」第二條、第三條以及第四條之規定。

The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

本公司獨立董事之選任，應符合「公開發行公司獨立董事設置及應遵循事項辦法」第五條、第六條、第七條、第八條以及第九條之規定，並應依據「上市上櫃公司治理實務守則」第二十四條規定辦理。

5. Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

本公司董事之選舉，均應依照公司法第一百九十二條之一所規定之候選人提名制度程序為之。

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

董事因故解任，致不足五人者，公司應於最近一次股東會補選之。但董事缺額達章程所定席次三分之一者，公司應自事實發生之日起六十日內，召開股東臨時會補選之。

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

獨立董事之人數不足證券交易法第十四條之二第一項但書，應於最近一次股東會補選之；獨立董事均解任時，應自事實發生之日起六十日內，召開股東臨時會補選之。

6. The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

本公司董事之選舉應採用累積投票制，每一股份有與應選出董事人數相同之選舉權，得集中選舉一人，或分配選舉數人。

7. The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

董事會應製備與應選出董事人數相同之選舉票，並加填其權數，分發出席股東會之股東，選舉人之記名，得以在選舉票上所印出席證號碼代之。

8. The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus

exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

本公司董事依公司章程所定之名額，分別計算獨立董事、非獨立董事之選舉權，由所得選舉票代表選舉權數較多者分別依次當選，如有二人以上得權數相同而超過規定名額時，由得權數相同者抽籤決定，未出席者由主席代為抽籤。

9. Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

選舉開始前，應由主席指定具有股東身分之監票員、計票員各若干人，執行各項有關職務。投票箱由董事會製備之，於投票前由監票員當眾開驗。

10. A ballot is invalid under any of the following circumstances:

選舉票有左列情事之一者無效：

- a. The ballot was not prepared by a person with the right to convene.
不用召集權人製備之選票者。
- b. A blank ballot is placed in the ballot box.
以空白之選票投入投票箱者。
- c. The writing is unclear and indecipherable or has been altered.
字跡模糊無法辨認或經塗改者。
- d. The candidate whose name is entered in the ballot does not conform to the director candidate list.
參加投票的候選人與董事候選人名單。
- e. Other words or marks are entered in addition to the number of voting rights allotted.
除填分配選舉權數外，夾寫其他文字者。

11. The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

投票完畢後當場開票，開票結果應由主席當場宣布，包含董事當選名單與其當選權數。

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 one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

前項選舉事項之選舉票，應由監票員密封簽字後，妥善保管，並至少保存一年。
但經股東依公司法第一百八十九條提起訴訟者，應保存至訴訟終結為止。

12. The board of directors of this Corporation shall issue notifications to the persons elected as directors.

當選之董事由本公司董事會發給當選通知書。

13. These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

本程序由股東會通過後施行，修正時亦同。

Annex 4. Shareholding of Directors

Polaris Group

Shareholding of All Directors

Title	Name	Number of Shares Registered in the Register of Shareholders
Chairman	Howard Chen	34,700
Director	Digital Capital Inc. Representative: Steve J.P. Hsu	290,000,000
Director	Mai Investment Co.,Ltd Representative: Lin, Wei-Yuan	40,527,138
Director	Chen, Shyan-Tser	4,950,000
Independent	Way, Tzong-Der	0
Independent	Chao, Ying-Chen	0

Note 1: Closing date: March 5, 2024.

Note 2: Enterprises overseas shall not be subject to the provisions of insufficient shareholding of directors and supervisors.