

Stock Code : 6887

**BORETECH Resource Recovery  
Engineering Co., Ltd.**

**2026  
Annual General Shareholders' Meeting  
Meeting Handbook(Translation)**

**Date : 2026.06.23**

**Location : No. 3, Guiren 12th Rd., Guiren Dist.,  
Tainan City(Greater Tainan  
Convention Center - Nusantara  
Room)**

**《Meeting Handbook》**  
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**BORETECH Resource Recovery Engineering Co., Ltd.**  
**Procedure of 2025 Annual General Shareholders' Meeting**

- 1. Report of Number of Shares Represented by Attendees**
- 2. Call Meeting to Order**
- 3. Chairman's Address**
- 4. Report Items**
- 5. Ratification Items**
- 6. Discussion Items**
- 7. Election Items**
- 8. Other Items**
- 9. Special Motions**
- 10. Meeting Adjourned**

**BORETECH Resource Recovery Engineering Co., Ltd.**  
**Agenda of 2026 Annual General Shareholders' Meeting**  
**(Translation)**

**Time and Date of Meeting: 10:00 a.m., Tuesday, June 23, 2026**

**Place of Meeting: No. 3, Guiren 12th Rd., Guiren Dist., Tainan City(Greater Tainan Convention Center - Nusantara Room)**

**Meeting Type: Physical Shareholders' Meeting**

- 1. Report of Number of Shares Represented by Attendees**
- 2. Call Meeting to Order**
- 3. Chairman's Address**
- 4. Report Items**
  - (1) The Company's business report of 2025.**
  - (2) The Audit Committee's review report of 2025.**
  - (3) The directors and employees' compensation of 2025.**
- 5. Ratification Items**
  - (1) Adoption of the Company's 2025 business report and financial statements.**
  - (2) Adoption of the Company's distribution of 2025 profits.**
- 6. Discussion Items**
  - (1) Approval of the amendment to the Company's "Amended and Restated Memorandum and Articles of Association".**
  - (2) Approval of the amendment to the Company's "Procedures for Acquisition or Disposal of Assets".**
  - (3) Approval of the amendment to the Company's "Rules of Procedure for Shareholder Meetings".**
- 7. Election Items: Proposal for a Full Re-election of Directors (Including Independent Directors).**
- 8. Other Items: Proposal to Release the Newly Elected Directors and Their Representatives from Non-competition Restrictions.**
- 9. Special Motions**
- 10. Meeting Adjourned**

## **Report Items**

**1. The Company's business report of 2025. (Please refer to Attachment 1)**

**2. The Audit Committee's review report of 2025. (Please refer to Attachment 2)**

**3. The directors and employees' compensation of 2025.**

(1) In accordance with Article 100 of the Company's Memorandum and Articles of Association (collectively referred to as the "Articles of Association"), if the Company makes a profit in a given year, 1% to 3% of such profit shall be distributed as employees' compensation and no more than 2% as directors' compensation. However, if the Company has accumulated losses, an amount shall be reserved in advance to offset the losses.

(2) Based on the profit status of 2025, the Company has allocated 1% as employees' compensation, totaling NT\$3,369,872, and 0.3% as directors' compensation, totaling NT\$1,000,000. All distributions will be made in cash, and there is no discrepancy between these amounts and the expenses recognized for the fiscal year 2025.

## **Ratification Items**

### **1. Adoption of the Company's 2025 business report and financial statements. (Proposed by the Board of Directors)**

#### **Explanatory Notes:**

The Company's 2025 Consolidated Financial Statements were audited and certified by Mr. HSU, MING-CHUAN and Mr. TIEN, CHUNG-YU, the CPA of PricewaterhouseCoopers.

Business Report of 2025 please refer to Attachment 1, and 2025 Consolidated Financial Statements please refer to Attachment 3.

#### **Resolved:**

### **2. Adoption of the Company's distribution of 2025 profits. (Proposed by the Board of Directors)**

#### **Explanatory Notes:**

The Company reported a net profit after tax of NT\$332,544,078 for the fiscal year 2025. A proposed earnings distribution schedule has been prepared accordingly (please refer to Attachment 4).

The Company proposes to distribute NT\$179,573,802 from the distributable earnings of fiscal year 2024 as cash dividends to shareholders, representing NT\$2.42210661 per share. Upon approval by the Annual General Meeting of Shareholders, it is proposed that the Chairman be authorized to determine the ex-dividend date, the actual distribution date, and other related matters.

The cash dividend distribution shall be calculated to the nearest whole New Taiwan dollar; any fractional amounts below one dollar shall be disregarded. The total amount of disregarded fractions shall be adjusted by descending order of decimal value and ascending order of shareholder account numbers to ensure the total distribution amount matches the approved cash dividend allocation.

In the event of any changes in the Company's share capital resulting in a variation in the number of outstanding shares, thereby affecting the dividend payout ratio, it is proposed that the Chairman be authorized by the shareholders' meeting to make corresponding adjustments to the distribution.

#### **Resolved:**

## **Discussion Items**

### **1. Approval of the amendment to the Company's "Amended and Restated Memorandum and Articles of Association". (Proposed by the Board of Directors)**

#### **Explanatory Notes:**

In order to meet the Company's actual operational needs, it is proposed to amend "Memorandum and Articles of Association" (hereinafter referred to as "M&AA") of the Company in accordance with relevant laws and regulations of Republic of China. Please refer to "Attachment 5" for the Comparison Table of Amendments to the Company's M&AA, the amended M&AA and their Chinese translation.

The amended M&AA shall become effective immediately after being adopted and approved at the shareholders' meeting and shall entirely replace the existing M&AA of the Company.

the Registered Office Provider of the Company is hereby instructed and authorized, after the Company resolves to amend its M&AA by Special Resolution of the shareholders' meeting, to apply to the Registrar of Companies of Cayman Islands for submission and filing of necessary documents.

#### **Resolved:**

### **2. Approval of the amendment to the Company's "Procedures for Acquisition or Disposal of Assets". (Proposed by the Board of Directors)**

#### **Explanatory Notes:**

To comply with relevant laws and regulations, the Company proposes to amend its "Procedures for Acquisition or Disposal of Assets." Please refer to "Attachment 6" for the Comparison Table of Amended Provisions.

#### **Resolved:**

### **3. Approval of the amendment to the Company's "Rules of Procedure for Shareholder Meetings". (Proposed by the Board of Directors)**

#### **Explanatory Notes:**

To comply with relevant laws and regulations, the Company proposes to amend its " Rules of Procedure for Shareholder Meetings" Please refer to "Attachment 7" for the Comparison Table of Amended Provisions.

#### **Resolved:**

## **Election Items**

### **Proposal for a Full Re-election of Directors (Including Independent Directors). (Proposed by the Board of Directors)**

#### **Explanatory Notes:**

The term of the Company's current Directors will expire on January 15, 2027. In conjunction with the 2026 Annual General Meeting, the Company proposes to conduct a full re-election of Directors ahead of schedule.

According to Article 65 of the Company's Articles of Association: "The Company shall have no fewer than five and no more than twelve Directors (including Independent Directors). The number of Director seats for each term shall be specified in the notice of the general meeting convened for the purpose of electing such Directors." Furthermore, Article 77 of the Articles of Association stipulates: "The number of Independent Directors shall be no fewer than three and shall represent no less than one-third of the total number of Director seats. At least two of them must have a registered domicile in the Republic of China (Taiwan)."

According to Article 67 of the Company's Articles of Association: "Each Director shall be elected for a term not exceeding three years and may be eligible for re-election. If the term of a Director expires before a re-election is held, the term of such Director shall be extended until the original Director is re-elected or a new Director is legally elected and takes office. In the event of a vacancy on the Board, the new Director elected by a general meeting to fill the vacancy shall serve the remainder of the original Director's term."

To comply with the Company's Articles of Association and meet the operational needs of the Board, eight (8) Directors (including 4 Independent Directors) will be elected for the 7th term. The term of office will be three years, starting from June 23, 2026, to June 22, 2029. The current Directors shall be discharged immediately upon the election of the new Directors (including Independent Directors) at the 2026 Annual General Meeting.

The election of Directors of the Company shall be conducted through a candidate nomination system. Please refer to "Attachment 8" for the list of Director candidates nominated by the Board of Directors for this election.

This election shall be conducted from the list of Director candidates in accordance with the Company's "Procedures for Election of Directors" (please refer to "Appendices 3").

It is proposed that the Company's registered office in the Cayman Islands be authorized to handle the registration of changes to the Company's Register of Directors with the Cayman Islands Registrar of Companies following the election of the new Directors at the 2026 Annual General Meeting.

#### **Election Results**

## **Other Items:**

### **Proposal to Release the Newly Elected Directors and Their Representatives from Non-competition Restrictions. (Proposed by the Board of Directors)**

#### **Explanatory Notes:**

In accordance with the first part of Paragraph 1, Article 209 of the Company Act of the Republic of China (Taiwan), a Director (including a representative of a legal entity Director) who conducts activities for themselves or on behalf of others that fall within the scope of the Company's business shall explain the essential contents of such activities to the shareholders' meeting and obtain its approval.

For operational needs, where the newly elected Directors engage in investing in or operating companies with a business scope identical or similar to that of the Company, or serve as directors, managers, or other key positions in other companies, it is proposed to request the shareholders' meeting to approve the release of the newly elected Directors and their representatives from non-competition restrictions, provided that such activities do not harm the interests of the Company.

For the details of the proposed release of nominated Directors and their representatives from non-competition restrictions, please refer to "Attachment 9".

Submitted for resolution.

#### **Resolved:**

**Special Motions**

**Meeting Adjourned**

## B · Attachments

### Attachment 1

## BORETECH Resource Recovery Engineering Co., Ltd. Business Report of 2025

Boretech Group has been established for thirty years, deeply rooted in the environmental protection industry. Guided by the business philosophy of prioritizing both sustainable development and social responsibility, we have continuously invested in the fields of resource recycling and the circular economy. In response to global environmental trends and the evolution of industrial demand, the Group has consistently enhanced its technology and optimized its operational layout. Our primary business operations currently encompass the manufacturing of recycled polyester (rPET) equipment, the production of rPET flakes/pellets, and the manufacturing and sales of polyester fibers. We are progressively building an integrated industrial value chain to establish a solid foundation for stable development.

Driven by global ESG trends, the green industry has demonstrated long-term growth potential, with related applications and market attention continuing to rise. While fluctuations in the global macroeconomic environment in 2025 led to a more cautious market momentum, through the concerted efforts and operational adjustments across the entire Group, the annual consolidated revenue reached NT\$4.789 billion, reflecting the stable foundation of our operations.

Looking ahead, Boretech will maintain a prudent approach in responding to changes in the market environment, continuing to strengthen our core businesses and operational structure while steadily promoting the development of recycled polyester-related enterprises. Leveraging our long-term industrial experience and existing foundation, the Group will continue to create sustainable value that balances corporate growth with environmental protection under the premise of stable operations.

#### i. For the year ended December 31, 2025.

##### 1 · Business overview

Unit: TWD thousands

Items	2025	2024	Increased	Growth rate
Consolidated sales revenue	4,789,345	5,444,066	(654,721)	-12%
Consolidated gross profit	1,096,748	1,166,250	(69,503)	-6%
Consolidated operating income	395,465	549,392	(153,927)	-28%
Consolidated profit before income tax	422,497	639,414	(216,916)	-34%
Consolidated profit for the period	332,544	489,554	(157,009)	-32%
Profit attributable to: Owners of the parent	332,544	489,554	(157,009)	-32%
Basic earnings per share (in NT dollars)	4.58	7.51	(2.96)	-39%

##### 2 · Budget Execution Status

As the Company did not publicly disclose its 2025 financial forecasts, there is no explanation required regarding budget execution status.

### 3、Financial and Profitability analysis

Items		2025	2024	
Financial Structure	Debt to Asset Ratio	37.46%	46.83%	
	Long-term Funds to Properties, Plants and Equipment Ratio	380.19%	307.67%	
Liquidity	Current ratio	210.80%	167.61%	
	Quick ratio	145.69%	94.09%	
Profitability	Return on Assets	7.50%	11.90%	
	Return on Equity	12.90%	23.50%	
	to Capital Ratio	53.36%	86.79%	83.31%
		57.00%	98.07%	92.13%
	Net Margin	6.93%	8.99%	
Earnings per share (TWD)	4.58	7.51		

### 4、Status of Research and Development

#### A. Environmental Protection Equipment Engineering Services

The Company boasts an outstanding R&D team whose core competencies lie in PET plastic washing and recycling systems, Bottle-to-Fiber systems, Bottle-to-Bottle (B2B) systems, and Tray-to-Tray systems. Our expertise includes the design and development of core equipment and processing technologies, as well as integrated engineering design capabilities for entire plant systems. In addition to providing the aforementioned products with conventional process designs, we offer customized solutions tailored to specific customer needs and quality requirements.

In recent years, to enhance product competitiveness, the Company has comprehensively upgraded the technology and performance of its PET washing and recycling systems. This includes improvements in system efficiency, quality of recycled end-products, energy consumption, footprint optimization, labor requirements, and automation. These efforts have led to the development of the "ES High-Efficiency Streamlined Process Recycling and Washing System," which has been progressively deployed in practical applications. Furthermore, through continuous technological development, our Bottle-to-Bottle systems have established a product line that meets the demand for small-to-medium scale food-grade rPET. We continue to upgrade and develop process technologies and core equipment toward larger production capacities and even more optimized processes.

#### B. Manufacturing Business

The Chemical Fiber R&D Building was officially established in 2020. It houses various functional laboratories tailored for different R&D stages, including polymer modification, fiber spinning, non-woven fabric manufacturing, and finished product analysis. This comprehensive functional configuration not only enhances the flexibility and applicability of product designs but also provides customers with a reliable and rapid platform for collaborative development. This achieves the objectives of market expansion, shared technology, and product originality.

### ii. Our Business Prospects for 2026

#### 1、Environmental Protection Equipment Engineering Services

Looking ahead to 2026, despite geopolitical and trade uncertainties, the global demand for plastic recycling remains a stable foundation. Boretech will focus on diversified layouts in India, Southeast Asia, and Western markets to mitigate policy risks and support brands in achieving their sustainability goals. Our operational focus includes strengthening project management and product standardization in the Washing Product Department, deepening recycled fiber process technologies in the Chemical Fiber Product Department to increase added value, and enhancing engineering integration within the Bottle-to-Bottle (B2B) Product Department to advance product certifications with global brands.

#### 2、Manufacturing Business

In 2025, the Chemical Fiber unit improved gross margins by optimizing its product mix and increasing exports. In 2026, we will continue focusing on high-value-added products, such as diversifying Hygiene Fibers, leveraging overseas growth for Flame-Retardant Fibers, and promoting Dope-Dyed Yarns as a significant profit source, while phasing out low-margin segments. Regarding food-grade rPET pellets, despite pressure from low virgin plastic prices, we expect a gradual market recovery. Boretech will leverage its integrated recycling system to maintain advantages in raw material procurement and cost control, prudently responding to market fluctuations to lay the groundwork for future growth.

## Attachments 2

### **BORETECH Resource Recovery Engineering CO., LTD. Audit Committee's Review Report of 2025(Translation)**

The Board of Directors has duly prepared and submitted the Company's 2025 Consolidated Financial Statements, which have been audited and certified by CPAs Mr. HSU, MING-CHUAN and Mr. TIEN, CHUNG-YU of PricewaterhouseCoopers Taiwan. Together with the Business Report and the Earnings Distribution Proposal, these documents have been reviewed by the Audit Committee and found to be in compliance without any discrepancies. This report is hereby submitted in accordance with the relevant provisions of the Securities and Exchange Act and the Company Act.

Respectfully submitted for your review and approval.  
To the 2025 Annual General Shareholders' Meeting

BORETECH Resource Recovery Engineering Co., Ltd.

**[HSU Wen-Kuan]**  
**Convener of the Audit Committee**  
**Date : 2026.03.20**

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To Boretech Resource Recovery Engineering Co., Ltd.

***Opinion***

We have audited the accompanying consolidated balance sheets of Boretech Resource Recovery Engineering Co., Ltd. and subsidiaries (the “Group”) as at December 31, 2025 and 2024, 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, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

***Basis for opinion***

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

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2025 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 2025 consolidated financial statements are stated as follows:

#### **Assessment of allowance for inventory valuation losses**

##### Description

Please refer to Note 4(11) for accounting policies on inventories, Note 5(2) for significant accounting estimates and assumptions and Note 6(4) for details of accounts.

The Group is primarily engaged in the manufacture and sales of recycled waste plastics, equipment and various chemical fibres. The management considers the selling price and purchase price of each inventory when the management calculates the net realisable value of inventory and assesses the age of inventory simultaneously to calculate the amount of allowance for inventory valuation losses. As the abovementioned process involves the management's subjective judgement and has a high degree of uncertainty, considering that inventory and its allowance for valuation losses have a significant impact on the financial statements, we considered the assessment of allowance for inventory valuation losses as a key audit matter.

#### How our audit addressed the matter

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

- A. Assessed the reasonableness of policies and procedures on allowance for inventory valuation losses based on our understanding of the Group's operation and industry characteristic.
- B. Reviewed the annual physical inventory count plan and participated in the annual physical inventory count to assess the effectiveness of the management's control over obsolete inventories.
- C. Obtained the net realisable value report of inventory for evaluation, tested the accuracy of report preparation logic, sampled and reviewed the basis for calculating the net realisable value of individual inventory items and reviewed relevant supporting documents to verify the reasonableness of the net realisable value used.

#### ***Responsibilities of management and those charged with governance for the consolidated financial statement***

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.

***Auditors' responsibilities for the audit of the consolidated financial statements***

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

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

- A. 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.
- B. 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.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- E. 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.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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Hsu, Ming-Chuan

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Tien, Chung-Yu

For and on behalf of PricewaterhouseCoopers, Taiwan

March 20, 2026

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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.

**BORETECH RESOURCE RECOVERY ENGINEERING CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2025 AND 2024**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 1,845,482	39	\$ 1,300,669	31
1136	Current financial assets at amortised cost	6(1)(2) and 8	57,574	1	80,936	2
1150	Notes receivable, net	6(3)	147,433	3	112,240	3
1170	Accounts receivable, net	6(3)	455,129	10	252,373	6
1200	Other receivables		2,219	-	12,786	-
1220	Current tax assets		555	-	-	-
130X	Inventories, net	6(4)	907,023	19	1,045,934	25
1410	Prepayments	6(5)	214,001	5	332,334	8
1470	Other current assets		-	-	5,028	-
11XX	<b>Current Assets</b>		<u>3,629,416</u>	<u>77</u>	<u>3,142,300</u>	<u>75</u>
<b>Non-current assets</b>						
1600	Property, plant and equipment, net	6(6) and 8	784,582	17	743,980	18
1755	Right-of-use assets	6(7) and 8	113,075	2	140,806	4
1780	Intangible assets	6(8)	89,898	2	39,517	1
1840	Deferred income tax assets		75,890	2	85,952	2
1900	Other non-current assets	6(10)	11,772	-	11,245	-
15XX	<b>Non-current assets</b>		<u>1,075,217</u>	<u>23</u>	<u>1,021,500</u>	<u>25</u>
1XXX	<b>Total assets</b>		<u>\$ 4,704,633</u>	<u>100</u>	<u>\$ 4,163,800</u>	<u>100</u>

(Continued)

**BORETECH RESOURCE RECOVERY ENGINEERING CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2025 AND 2024**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(11) and 8	\$ 474,053	10	\$ 430,080	10
2130	Current contract liabilities	6(20)	422,990	9	612,792	15
2150	Notes payable		-	-	65,064	2
2170	Accounts payable		285,689	6	224,539	5
2200	Other payables	6(12)	450,717	10	391,997	9
2230	Current income tax liabilities		11,282	-	56,334	1
2250	Current provisions	6(15)	56,808	1	69,830	2
2280	Current lease liabilities	6(7)	19,888	-	23,748	1
2300	Other current liabilities		311	-	419	-
21XX	<b>Current Liabilities</b>		<u>1,721,738</u>	<u>36</u>	<u>1,874,803</u>	<u>45</u>
<b>Non-current liabilities</b>						
2570	Deferred income tax liabilities		28,667	1	44,059	1
2580	Non-current lease liabilities	6(7)	11,777	-	30,664	1
2600	Other non-current liabilities		340	-	354	-
25XX	<b>Non-current liabilities</b>		<u>40,784</u>	<u>1</u>	<u>75,077</u>	<u>2</u>
2XXX	<b>Total Liabilities</b>		<u>1,762,522</u>	<u>37</u>	<u>1,949,880</u>	<u>47</u>
<b>Equity</b>						
	Share capital	6(16)				
3110	Share capital - common stock		741,195	16	651,995	16
	Capital surplus	6(17)				
3200	Capital surplus		1,343,047	28	711,279	17
	Retained earnings	6(18)				
3350	Unappropriated retained earnings		824,310	18	785,498	19
	Other equity interest	6(19)				
3400	Other equity interest		33,559	1	65,148	1
3XXX	<b>Total equity</b>		<u>2,942,111</u>	<u>63</u>	<u>2,213,920</u>	<u>53</u>
3X2X	<b>Total liabilities and equity</b>		<u>\$ 4,704,633</u>	<u>100</u>	<u>\$ 4,163,800</u>	<u>100</u>

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

**BORETECH RESOURCE RECOVERY ENGINEERING CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**

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

	Items	Notes	Year ended December 31			
			2025		2024	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(20)	\$ 4,789,345	100	\$ 5,444,066	100
5000	Operating costs	6(4)(25)(26)	( 3,692,597)	( 77)	( 4,277,816)	( 79)
5900	Net operating margin		<u>1,096,748</u>	<u>23</u>	<u>1,166,250</u>	<u>21</u>
	Operating expenses	6(25)(26) and 7				
6100	Selling expenses		( 289,920)	( 6)	( 275,320)	( 5)
6200	General and administrative expenses		( 312,115)	( 7)	( 293,755)	( 5)
6300	Research and development expenses		( 75,465)	( 2)	( 112,918)	( 2)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	( 23,783)	-	65,135	1
6000	Total operating expenses		( 701,283)	( 15)	( 616,858)	( 11)
6900	Operating profit		<u>395,465</u>	<u>8</u>	<u>549,392</u>	<u>10</u>
	Non-operating income and expenses					
7100	Interest income	6(21)	50,969	1	56,409	1
7010	Other income	6(22)	32,134	1	38,848	1
7020	Other gains and losses	6(23)	( 42,173)	( 1)	6,920	-
7050	Finance costs	6(24)	( 13,898)	-	( 12,155)	-
7000	Total non-operating revenue and expenses		<u>27,032</u>	<u>1</u>	<u>90,022</u>	<u>2</u>
7900	<b>Profit before income tax</b>		<u>422,497</u>	<u>9</u>	<u>639,414</u>	<u>12</u>
7950	Income tax expense	6(27)	( 89,953)	( 2)	( 149,860)	( 3)
8200	<b>Profit for the year</b>		<u>\$ 332,544</u>	<u>7</u>	<u>\$ 489,554</u>	<u>9</u>
	<b>Other comprehensive income</b>					
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Exchange differences on translation of foreign financial statement	6(19)	( \$ 31,589)	( 1)	\$ 68,384	1
8300	<b>Other comprehensive (loss) income for the year</b>		<u>( \$ 31,589)</u>	<u>( 1)</u>	<u>\$ 68,384</u>	<u>1</u>
8500	<b>Total comprehensive income for the year</b>		<u>\$ 300,955</u>	<u>6</u>	<u>\$ 557,938</u>	<u>10</u>
	Profit, attributable to:					
8610	Owners of the parent		<u>\$ 332,544</u>	<u>7</u>	<u>\$ 489,554</u>	<u>9</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		<u>\$ 300,955</u>	<u>6</u>	<u>\$ 557,938</u>	<u>10</u>
	Earnings per share	6(28)				
9750	Basic earnings per share	6(28)	<u>\$</u>	<u>4.58</u>	<u>\$</u>	<u>7.51</u>
9850	Diluted earnings per share	6(28)	<u>\$</u>	<u>4.53</u>	<u>\$</u>	<u>7.42</u>

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

**BORETECH RESOURCE RECOVERY ENGINEERING CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent				Financial statements translation differences of foreign operations	Total equity
		Share capital - common stock	Additional paid-in capital	Employee share options	Total Unappropriated retained earnings		
<u>Year ended December 31, 2024</u>							
Balance at January 1, 2024		\$ 651,995	\$ 704,250	\$ 4,002	\$ 595,125	(\$ 3,236)	\$ 1,952,136
Profit for the year		-	-	-	489,554	-	489,554
Other comprehensive income for the year	6(19)	-	-	-	-	68,384	68,384
Total comprehensive income		-	-	-	489,554	68,384	557,938
Appropriation and distribution of 2023 earnings:	6(18)						
Cash dividends		-	-	-	( 299,181)	-	( 299,181)
Share-based payment transactions		-	-	3,027	-	-	3,027
Balance at December 31, 2024		<u>\$ 651,995</u>	<u>\$ 704,250</u>	<u>\$ 7,029</u>	<u>\$ 785,498</u>	<u>\$ 65,148</u>	<u>\$ 2,213,920</u>
<u>Year ended December 31, 2025</u>							
Balance at January 1, 2025		\$ 651,995	\$ 704,250	\$ 7,029	\$ 785,498	\$ 65,148	\$ 2,213,920
Profit for the year		-	-	-	332,544	-	332,544
Other comprehensive loss for the year	6(19)	-	-	-	-	( 31,589)	( 31,589)
Total comprehensive income (loss)		-	-	-	332,544	( 31,589)	300,955
Appropriation and distribution of 2024 earnings:							
Cash dividends	6(18)	-	-	-	( 293,732)	-	( 293,732)
Issuance of shares for cash	6(16)	87,000	624,601	-	-	-	711,601
Exercise of employee stock options	6(16)	2,200	6,516	( 1,680)	-	-	7,036
Share-based payment transactions	6(14)	-	-	2,331	-	-	2,331
Balance at December 31, 2025		<u>\$ 741,195</u>	<u>\$ 1,335,367</u>	<u>\$ 7,680</u>	<u>\$ 824,310</u>	<u>\$ 33,559</u>	<u>\$ 2,942,111</u>

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

**BORETECH RESOURCE RECOVERY ENGINEERING CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 422,497	\$ 639,414
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charge	6(6)(7)(25)	126,913	121,964
Impairment loss	6(6)(9)(23)	29,760	13,471
Amortisations	6(25)	6,164	3,634
Expect credit impairment loss (gain)	6(25) and 12(2)	23,783	( 65,135 )
Interest expense	6(24)	13,898	12,155
Interest income	6(21)	( 50,969 )	( 56,409 )
Losses (gains) on disposal of property, plant and equipment	6(23)	483	( 1,283 )
Share-based payment transactions	6(14)	3,424	3,027
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		( 35,193 )	37,244
Accounts receivable		( 227,587 )	145,228
Other receivables		10,567	5,642
Inventories, net		44,171	( 131,991 )
Prepayments		118,333	( 114,653 )
Other current assets		5,028	19,483
Changes in operating liabilities			
Current contract liabilities		( 189,802 )	( 652,706 )
Notes payable		( 65,064 )	5,295
Accounts payable		61,150	( 40,187 )
Other payables		58,720	26,967
Other current liabilities		( 108 )	( 7,212 )
Current provisions		( 13,334 )	11,815
Cash inflow (outflow) generated from operations		342,834	( 24,237 )
Interest received		50,969	56,409
Interest paid		( 13,898 )	( 13,632 )
Income taxes paid		( 140,890 )	( 115,991 )
Net cash flows from (used in) operating activities		<u>239,015</u>	<u>( 97,451 )</u>

(Continued)

**BORETECH RESOURCE RECOVERY ENGINEERING CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of current financial assets at amortised cost		\$ -	(\$ 80,428 )
Proceeds from disposal of current financial assets at amortised cost		23,362	120,871
Acquisition of property, plant and equipment	6(29)	( 69,164 )	( 157,014 )
Proceeds from disposal of property, plant and equipment		1,115	14
Acquisition of intangible assets	6(8)	( 56,349 )	( 9,111 )
Decrease in prepayments for equipment		( 3,524 )	-
Decrease (increase) in guarantee deposits paid		2,998	( 783 )
Net cash flows used in investing activities		<u>( 101,562 )</u>	<u>( 126,451 )</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term borrowings	6(30)	42,050	249,201
Lease liabilities paid	6(30)	( 22,878 )	( 23,467 )
Proceeds from exercise of employee stock options	6(16)	7,036	-
Proceeds from issuance of shares for cash	6(16)	710,508	-
Decrease in deposits		( 14 )	-
Cash dividends paid	6(29)	( 293,732 )	( 299,181 )
Net cash flows from (used in) financing activities		<u>442,970</u>	<u>( 73,447 )</u>
Effect of exchange rate changes on cash and cash equivalents		( 35,610 )	52,506
Net increase (decrease) in cash and cash equivalents		544,813	( 244,843 )
Cash and cash equivalents at beginning of year		<u>1,300,669</u>	<u>1,545,512</u>
Cash and cash equivalents at end of year		<u>\$ 1,845,482</u>	<u>\$ 1,300,669</u>

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

**Attachment 4**

**BORETECH Resource Recovery Engineering Co., Ltd.**

**Earnings Distribution Table**

**For the Year Ended December 31, 2025**

	<b>Currency : TWD</b>
<b>Items</b>	<b>Amount</b>
<b>Unappropriated retained earnings from previous years</b>	<b>491,765,634</b>
<b>Add: Profit after income tax for 2024</b>	<b>332,544,078</b>
<b>Less: Legal Reserve Appropriated</b>	<b>(33,254,408)</b>
<b>Retained earnings available for distribution as of December 31, 2025</b>	<b>791,055,304</b>
<b>Cash dividends</b>	<b>(179,573,802)</b>
<b>Total</b>	<b>(179,573,802)</b>
<b>Unappropriated retained earnings</b>	<b>611,481,502</b>

Attachments 6

BORETECH Resource Recovery Engineering CO., LTD.

寶綠特資源再生工程股份有限公司

Comparison Table for ARTICLES OF ASSOCIATION

章程修正對照表

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
第 37 條	<p>During the Relevant Period, the Company shall prepare a manual for each general meeting, and such manual and relevant materials shall be published on the website designated by the Commission, the TPEX or the TWSE (where applicable) <b>twenty-one (21)</b> days prior to the scheduled date of the relevant annual general meeting and fifteen (15) days prior to the scheduled date of the relevant extraordinary general meeting pursuant to the Applicable Listing Rules. <b><u>However, in the event the Company's total paid-in capital as of the close of the most recent financial year reaches NT\$2 billion or more, or when the aggregate number of Shares held by the foreign investors and Mainland Chinese investors reached thirty percent (30%) or more as recorded in the Register at the time of holding of the general meeting in the most recent financial year, the Company shall upload the electronic files of the abovementioned manual and relevant materials thirty (30) days prior to</u></b></p>	<p>During the Relevant Period, the Company shall prepare a manual for each general meeting, and such manual and relevant materials shall be published on the website designated by the Commission, the TPEX or the TWSE (where applicable) <b>thirty (30)</b> days prior to the scheduled date of the relevant annual general meeting and fifteen (15) days prior to the scheduled date of the relevant extraordinary general meeting pursuant to the Applicable Listing Rules.</p>	<p>To comply with the amendments to the "Table of Shareholder Rights Protection Matters in the Country of Registration of Foreign Issuers" announced by the Taiwan Stock Exchange on February 4, 2026 (Ref. No.</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p><b><u>the scheduled date of the relevant annual general meeting.</u></b></p> <p>於掛牌期間，本公司召開股東會應編製股東會議事手冊，並應依上市（櫃）規範之規定，於股東常會開會前<u>二十一日</u>或股東臨時會開會前十五日，將議事手冊及其他會議相關資料公告於金管會、櫃買中心或證交所（如適用）指定之網站上。<u>但本公司於最近會計年度終了當日實收資本額達新台幣 20 億元以上或最近會計年度召開股東常會時股東名簿記載之僑外投資人及大陸地區投資人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。</u></p>	<p>於掛牌期間，本公司召開股東會應編製股東會議事手冊，並應依上市（櫃）規範之規定，於股東常會開會前<u>三十日</u>或股東臨時會開會前十五日，將議事手冊及其他會議相關資料公告於金管會、櫃買中心或證交所（如適用）指定之網站上。</p>	<p>Tai-Zheng-Shang-Er-Zi-1151700475), Article 37 is hereby amended.</p>

\* The English version of the Company's amended Memorandum and Articles of Association shall prevail. Minor corrections such as typos, updates to cited Cayman Islands laws without substantive changes, renumbering, or adjustments to the Chinese translation will not be listed.

Attachment 6

**BORETECH Resource Recovery Engineering Co., Ltd.**  
**Table of Amendments to “Procedures for Acquisition or Disposal of Assets”**

Article No.	Current Provisions	Amended Provisions	Explanation
Article 29 Public Announcement and Reporting Procedures	<p>1. After the Company goes public, for any acquisition or disposal of assets under the following circumstances, the unit executing the transaction shall, according to the nature of the transaction and in the specified format and content, announce and report the relevant information on the website designated by the SFC within two days commencing from the date of occurrence:</p> <p>1) Acquisition or disposal of real estate or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real estate or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more. This shall not apply to the purchase or sale of domestic government bonds, bonds under repurchase or resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2) Merger, demerger, acquisition, or transfer of shares.</p>	<p>1. After the Company goes public, for any acquisition or disposal of assets under the following circumstances, the unit executing the transaction shall, according to the nature of the transaction and in the specified format and content, announce and report the relevant information on the website designated by the SFC within two days commencing from the date of occurrence:</p> <p>1) Acquisition or disposal of real estate or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real estate or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more. This shall not apply to the purchase or sale of domestic government bonds, bonds under repurchase or resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2) Merger, demerger, acquisition, or transfer of shares.</p>	According to the latest legal revisions

Article No.	Current Provisions	Amended Provisions	Explanation
	<p>3) Losses from derivatives trading reaching the maximum loss limit for all contracts or individual contracts specified in the "Procedures for Engaging in Derivatives Trading."</p> <p>4) Acquisition or disposal of equipment or right-of-use assets thereof for business use, where the transaction counterparty is not a related party, and the transaction amount reaches any of the following:</p> <p>A. For a public company with paid-in capital of less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>B. For a public company with paid-in capital of NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>5) Acquisition of real estate through construction on own land, construction on leased land, joint development and division of buildings, joint development and percentage sharing, or joint development and separate sale, where the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million or more.</p> <p>6) Asset transactions other than those referred to in the preceding five sub-paragraphs, disposal of receivables by a financial institution, or investment in the Mainland China area, where the transaction amount reaches 20 percent of the Company's paid-</p>	<p>3) Losses from derivatives trading reaching the maximum loss limit for all contracts or individual contracts specified in the "Procedures for Engaging in Derivatives Trading."</p> <p>4) Acquisition or disposal of equipment or right-of-use assets thereof for business use, where the transaction counterparty is not a related party, and the transaction amount reaches any of the following:</p> <p>A. For a public company with paid-in capital of NT\$10 billion <b><u>or more but less than NT\$50 billion</u></b>, the transaction amount reaches NT\$1 billion or more.</p> <p>B. For a public company with paid-in capital of NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p><b><u>C. For a public company with paid-in capital of NT\$50 billion or more, the transaction amount reaches 5 percent or more of the Company's paid-in capital.</u></b></p> <p>5) Acquisition of real estate through construction on own land, construction on leased land, joint development and division of buildings, joint development and percentage sharing, or joint development and separate sale, where the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million or more.</p> <p>6) Asset transactions other than those referred to in the preceding five sub-paragraphs,</p>	

Article No.	Current Provisions	Amended Provisions	Explanation
	<p>in capital or NT\$300 million or more. This shall not apply to the following circumstances:</p> <p>A. Purchase or sale of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign rating of Taiwan.</p> <p>B. Trading of securities on a stock exchange or at a securities company's business premises by a professional investor..</p> <p>C. Purchase or sale of bonds under repurchase or resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p>	<p>disposal of receivables by a financial institution, or investment in the Mainland China area, where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more. This shall not apply to the following circumstances:</p> <p>A. Purchase or sale of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign rating of Taiwan.</p> <p>B. Trading of securities on a stock exchange or at a securities company's business premises by a professional investor..</p> <p>C. Purchase or sale of bonds under repurchase or resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p>	
Article 35 Establishment and Amendments	New Articles Added	<p><b><u>1. Date of Establishment:</u></b> <b><u>September 11, 2015</u></b></p> <p><b><u>2. First Amendment:</u></b> <b><u>August 03, 2021</u></b></p> <p><b><u>3. Second Amendment:</u></b> <b><u>June 15, 2022</u></b></p> <p><b><u>4. Third Amendment: June 23, 2026</u></b></p>	Addition of the current amendment.

**BORETECH Resource Recovery Engineering Co., Ltd.**  
**Table of Amendments to “Rules of Procedure for  
 Shareholder Meetings”**

Article No.	Current Provisions	Amended Provisions	Explanation
Article 3 (Convening and Meeting Notice)	(Items 1 through 3 omitted) The Company shall prepare electronic files of the meeting notice, proxy forms, and the explanatory materials for all proposals, including proposals for ratification, matters for discussion, and the election or discharge of directors, and upload them to the Market Observation Post System (MOPS) 30 days before an annual general meeting or 15 days before an extraordinary general meeting. The shareholders' meeting agenda handbook and supplemental meeting materials shall be uploaded to the MOPS 21 days before an annual general meeting or 15 days before an extraordinary general meeting. However, if the Company's paid-in capital at the end of the most recent fiscal year reached NT\$10 billion or more, or if the combined shareholding of foreign investors and mainland Chinese investors recorded in the shareholders' register at the most recent annual general meeting reached 30% or more, the electronic files shall be uploaded 30 days before the annual general meeting. The Company shall make the agenda handbook and	(Items 1 through 3 omitted) The Company shall prepare electronic files of the shareholders' meeting notice, proxy forms, and the explanatory materials for all proposals, including proposals for ratification, matters for discussion, and the election or discharge of directors, <b><u>the shareholders' meeting agenda handbook, and supplemental meeting materials,</u></b> and upload them to the Market Observation Post System (MOPS) 30 days before an annual general meeting or 15 days before an extraordinary general meeting. <b><u>The shareholders' meeting agenda handbook and supplemental meeting materials shall be uploaded to the MOPS 21 days before an annual general meeting or 15 days before an extraordinary general meeting. However, if the Company's paid-in capital at the end of the most recent fiscal year reached NT\$10 billion or more, or if the combined shareholding of foreign investors and mainland Chinese investors recorded in the shareholders' register at the most recent annual general meeting reached 30% or more, the</u></b>	According to the latest legal revisions

Article No.	Current Provisions	Amended Provisions	Explanation
	supplemental meeting materials available for shareholders' review 15 days before the meeting at the Company and its professional share registrar.	<del>electronic files shall be uploaded 30 days before the annual general meeting.</del> <b><u>The Company shall</u></b> , 15 days before the shareholders' meeting, make the agenda handbook and supplemental meeting materials available for shareholders' review at any time, and display them at the Company and its professional share registrar.	
Article 13 (Voting)	(Items 1 through 6 omitted) Scrutineers and clerks for voting shall be appointed by the chairperson, but scrutineers must be shareholders.	(Items 1 through 6 omitted) Scrutineers and clerks for voting shall be appointed by the chairperson, but scrutineers must be shareholders. <b><u>Where the agenda of a shareholders' meeting includes the election of directors and the number of candidates exceeds the number of seats to be elected, the dismissal of a director, or any proposal specified in Article 185 or Article 316 of the Company Act, Article 18, Article 27, Article 29, or Article 35 of the Business Mergers and Acquisitions Act, or Article 24, Paragraph 2, Subparagraph 1 or Article 26, Paragraph 2, Subparagraph 1 of the Financial Holding Company Act, it is advisable for the chairperson to appoint a lawyer, certified public accountant, or notary public as a scrutineer.</u></b> <b><u>A person appointed by the chairperson under the preceding paragraph shall not be responsible for matters</u></b>	依照最新法令修訂

Article No.	Current Provisions	Amended Provisions	Explanation
		<p><u>related to the voting procedures, nor shall such person be a director, manager, or employee of the Company or its affiliates.</u></p> <p><u>The scrutineer shall supervise the voting and counting process and sign the statistical table of election results.</u></p> <p><u>If a scrutineer is appointed in accordance with Paragraph 8, the minutes of the shareholders' meeting shall specify the name and job title of the scrutineer.</u></p> <p><u>(Remaining paragraphs shall be renumbered accordingly)</u></p>	
Article 24	New Articles Added	<p><u>1. Date of Establishment: August 03, 2021</u></p> <p><u>2. First Amendment: June 15, 2022</u></p> <p><u>3. Second Amendment: May 05, 2023</u></p> <p><u>4. Third Amendment: June 23, 2026</u></p>	Addition of the current amendment.

Attachment 8

**BORETECH Resource Recovery Engineering Co., Ltd.**

**List of Candidates for Directors and Independent Directors**

NO	Title	Name	Gender	Education	Other Position	Experience	Current Shareholding (Note)
1	Director	OU Che-Wen	Male	Takming College	Chairman & CEO of Boretech-KY Chairman of Zhejiang Boretech Chairman of Zhejiang Anshun	CEO of Zhejiang Anshun Chairman of Boretech (TW)	0
2	Director	ECOVE Environment Corporation Rep. TIAO Hsiu-Hua	Male	M.B.A. in International Business Management, NTU	CEO of ECOVE Environment	Former Deputy Chief Engineer, CTCI	11,997,903
3	Director	BRAINTREE INDUSTRIES LIMITED Rep. KO Yung-Chun	Female	National Nantou Vocational High School	Chairman of Shuh Jen Enterprises	Director of Jiapin Technology	22,905,914
4	Director	GUANG SHUN PETTECHS FIBRE INDUSTRY L.L.C. Rep. OU Po-Hao	Male	B.B.A., Meijo University (Japan); General	Chairman of Boretech (TW)	Manager, Cycleplus, LLC	13,832,371
5	Independent Director	HSU Wen-Kuan	Female	Bachelor's Degree in Accounting, Soochow University	Independent Director, Leefon Independent Director, Suhong Technology	Certified Public Accountant, PwC Taiwan	0
6	Independent Director	TSAO Mihn	Male	Executive MBA, National Sun Yat-sen University	Chairman, Formosa Petrochemical Corporation Chairman, Formosa Idemitsu Specialty Chemicals	Manager, Formosa Petrochemical Corporation Chairman, Mailiao Power Corporation Chairman, Mailiao Industrial Port	0
7	Independent Director	LIN Hui-Ping	Female	Master's Degree in Finance, Baruch College, City University of New	Director, Pili International Multimedia Senior Consultant, Stylution Furniture Co., Ltd. Independent Director, Scanteak Co., Ltd.	Specialist, Underwriting, Fubon Securities VP, Underwriting, Grand Cathay Securities	0

NO	Title	Name	Gender	Education	Other Position	Experience	Current Shareholding (Note)
				York		Special Asst. to Chairman, Meijia International CFO & Special Asst. to Chairman, Kayee Group	
8	Independent Director	HUANG Kuo- Ming	Male	Master's Degree in Banking and Finance Law, Queen Mary University of London	Managing Partner & CSO, Formosan Brothers Independent Director, Solytech Enterprise Corp. Independent Director, Cen Link Co., Ltd.	Public Prosecutor, New Taipei District Prosecutors Office Public Prosecutor, Taipei District Prosecutors Office Attorney, Jones Day	0

**Note: Shares held as of the book closure date (April 25, 2026).**

**Attachment 9**

<b>Title</b>	<b>Name</b>	<b>Details of the Released Non-competition Items</b>
Director	OU Che-Wen	None.
Director	BRAINTREE Industries Limited	None.
Director	BRAINTREE Industries Limited Rep. KO Yung-Chun	Chairman, Shuh Jen Enterprise Co., Ltd. Director, Jiapin Technology Co., Ltd.
Director	GUANG SHUN PETTECHS FIBRE INDUSTRY L.L.C.	None.
Director	GUANG SHUN PETTECHS FIBRE INDUSTRY L.L.C. Rep. OU Po-Hao	None.
Director	ECOVE Environment Corporation	Director, ECOVE Environment Service Corp. Director, ECOVE Waste Management Corp. Director, ECOVE Solar Energy Corp. Director, ECOVE Resource Recycling Corp. Director, ECOVE Solvent Recycling Corp. Director, ECOVE Green Energy Corp.
Director	ECOVE Environment Corporation Rep. TIAO Hsiu-Hua	President, ECOVE Environment Corp. Chairman & President, ECOVE Environment Service Corp. Chairman, ECOVE Waste Management Corp. Chairman, ECOVE Solar Energy Corp. Chairman, ECOVE Resource Recycling Corp. Chairman, ECOVE Solvent Recycling Corp. Chairman, ECOVE Wujih Power Corp. Chairman, ECOVE Sustainability Services Corp. Chairman, ECOVE Green Energy Corp. Chairman, ECOVE Environment Technology Corp.
Independent Director	HSU Wen-Kuan	Independent Director, Chlitina Holding Limited Supervisor, Show Chwan Digital Technology Co., Ltd.

Title	Name	Details of the Released Non-competition Items
		Independent Director, Daphne International Holdings Limited
Independent Director	TSAO Mihn	Director, Formosa Petrochemical Corp. Director, Formosa Smart Energy Tech Corp. Director, Formosa Heavy Industries Corp. Chairman, Mai-Liao Island Industrial Harbor Administration Corp. Chairman, Formosa Petrochemical Corp. Chairman, Formosa Oil (Asia Pacific) Corp. Chairman, Mai-Liao Power Corp. Independent Director, Southeast Cement Co., Ltd.
Independent Director	LIN Hui-Ping	Independent Director, Scanteak Co., Ltd. Independent Director, Pili International Multimedia Co., Ltd. Senior Consultant, Stylution Furniture Co., Ltd.
Independent Director	HUANG Kuo- Ming	Managing Partner & CSO, Formosan Brothers Independent Director, Solytech Enterprise Corp. Independent Director, Cen Link Co., Ltd. Supervisor, Star Bio-Cell Co., Ltd. Independent Director, Hon Chuan Enterprise Co., Ltd. (Note)

Note: Mr. HUANG Kuo- Ming was nominated as an Independent Director candidate by Hon Chuan Enterprise on March 6.

Company Number: BS-276954

THE CAYMAN ISLANDS

THE COMPANIES ACT (AS REVISED)

AMENDED AND RESTATED MEMORANDUM AND  
ARTICLES OF ASSOCIATION

OF

**BORETECH Resource Recovery Engineering CO., LTD.**  
**寶綠特資源再生工程股份有限公司**

Incorporated on the 08th day of April, 2013

(as adopted by a Special Resolution passed on 23rd June, 2025)

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

**AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION**

**OF**

**BORETECH Resource Recovery Engineering CO., LTD.**  
**寶綠特資源再生工程股份有限公司**

(as adopted by a Special Resolution passed on 23rd June, 2025)

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

Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.

7. When conducting business, the Company shall comply with the laws and regulations as well as business ethics, and may take actions that will promote public interests in order to fulfil its social responsibilities.
8. The liability of each member is limited to the amount from time to time unpaid on such member's shares.
9. The share capital of the Company is NT\$3,300,000,000 divided into 330,000,000 ordinary shares of a nominal or par value of NT\$10 each with power for the Company, subject to the provisions of the Companies Act (As Revised) and the Articles of Association, to redeem or purchase any of its shares and to sub-divide, increase or reduce the said capital and to issue any part of its capital, original, redeemed, increased or reduced, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that, unless the condition of issue shall otherwise expressly declare, every issue of shares, whether declared to be ordinary, preference or otherwise, shall be subject to the power hereinbefore contained.
10. Capitalised terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company and the interpretations section of the Articles of Association of the Company shall apply to this Memorandum of Association.

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

**AMENDED AND RESTATED ARTICLES OF ASSOCIATION**

**OF**

**BORETECH Resource Recovery Engineering CO., LTD.**  
**寶綠特資源再生工程股份有限公司**

(as adopted by a Special Resolution passed on 23rd June, 2025)

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**INTERPRETATION**

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

Applicable Listing Rules      the relevant laws, regulations, rules and codes as amended, from time to time, applicable as a result of the original and continued trading or listing of any shares on any Taiwan stock exchange or securities market, including, without limitation the relevant provisions of the Securities and Exchange Act of the R.O.C., the Company Act of the R.O.C., the Business Mergers And Acquisitions Act of the R.O.C., the Act Governing Relations Between Peoples of the Taiwan Area and the Mainland Area, and any similar laws, statutes and the rules and regulations of the R.O.C. authorities thereunder, and the rules and regulations promulgated by the Financial Supervisory Commission, the TPEX and the TWSE (where applicable);

Articles                              these Articles of Association of the Company in their present form, as amended, substituted or supplemented from time to time by a Special Resolution;

Auditors                             the certified public accountant (if any) retained by the Company to audit the accounts of the Company, to audit and/or certify the financial statements of the

	Company or to perform other similar duties as assigned or requested by the Company for the time being;
Board	the board of Directors of the Company comprising all the Directors;
Capital Reserve	means (1) the Share Premium Account, (2) income from endowments received by the Company and (3) other items generated and treated as capital reserve pursuant to the Applicable Listing Rules or generally accepted accounting principles;
Chairman	has the meaning given thereto in Article 69;
Class or Classes	any class or classes of Shares as may from time to time be issued by the Company in accordance with these Articles;
Commission	the Financial Supervisory Commission of the R.O.C. or any other authority for the time being administering the Securities and Exchange Act of the R.O.C.;
Company	BORETECH Resource Recovery Engineering CO., LTD. 寶綠特資源再生工程股份有限公司;
Consolidation	the combination of two or more constituent companies into a consolidated company which is the new company that results from the consolidation of the constituent companies and the vesting of the undertaking, property and liabilities of such companies in the consolidated company within the meaning of the Law and the Applicable Listing Rules;
Director	a director of the Company or an Independent Director (if any) for the time being who collectively form the Board, and “Directors” means 2 or more of them (including any and all Independent Director(s));
Discount Transfer	has the meaning set out in Paragraph (4) of Article 23;
Electronic	shall have the meaning given to it in the Electronic Transactions Law (as revised) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force including every other law

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

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

Register of Beneficial Ownership	the register of beneficial ownership of the Company maintained in accordance with the Law at such place within the Cayman Islands;
Registered Office	the registered office of the Company for the time being as required under the Law;
Relevant Period	the period commencing from the date on which any of the securities of the Company first become public offering or registered or listed on the Emerging Market, the TPEX, the TWSE or any Taiwan stock exchange or securities market to and including the date immediately before the day on which none of such securities are so registered or listed (and so that if at any time registration or listing of any such securities is suspended for any reason whatsoever and for any length of time, they shall nevertheless be treated, for the purpose of this definition, as registered or listed);
R.O.C. or Taiwan	the Republic of China, its territories, its possessions and all areas subject to its jurisdiction;
R.O.C. Courts	the Taiwan Taipei District Court or any other competent courts in the R.O.C.;
Seal	the common seal of the Company;
Secretary	any Person for the time being appointed by the Directors to perform any of the duties of the secretary of the Company and including any assistant, deputy, acting or temporary secretary;
Share	any share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;
Share Premium Account	the share premium account of the Company established in accordance with these Articles and the Law;
Shareholder Service Agent	the agent licensed by the R.O.C. authorities and having its offices in the R.O.C. to provide shareholder services, in accordance with the

Applicable Listing Rules and the Regulations Governing the Administration of Shareholder Services of Public Companies of the R.O.C. (as revised), to the Company;

signed bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a Person with the intent to sign the electronic communication;

Special Reserve has the meaning set out in Article 95;

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

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

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

Articles;

Spin-off	an act wherein a transferor company transfers all of its independently operated business or any part of it to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to give shares, cash or other assets to the transferor company or to shareholders of the transferor company;
Statutory Reserve	a reserve set aside in an amount equal to ten percent (10%) of the total amount of after-tax net profit for the period and other items adjusted to the then-current year's undistributed earnings other than after-tax net profit for the period as calculated by the Company under the Applicable Listing Rules;
Subordinate Company	any company (a) of which a majority of the total outstanding voting shares or the total amount of the capital stock is held by the Company; (b) in which the Company has a direct or indirect control over the management of the personnel, financial or business operation of that company; (c) of which a majority of directors in such company are contemporarily acting as directors in the Company; or (d) of which a majority of the total outstanding voting shares or the total amount of the capital stock of such companies and that of the Company are held by the same Members;
TDCC	the Taiwan Depository & Clearing Corporation;
TPEX	the Taipei Exchange in Taiwan;
Treasury Shares	Shares that have been purchased by the Company and have not been cancelled but have been held continuously by the Company since they were purchased in accordance with the Law; and
TWSE	the Taiwan Stock Exchange Corporation.

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

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

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

- (b) words importing the masculine gender shall include the feminine gender and neuter genders;
  - (c) a notice provided for herein shall be in writing unless otherwise specified and all reference herein to "in writing" and "written" shall include printing, lithography, photography and other modes of representing or reproducing words in permanent visible form; and
  - (d) "may" shall be construed as permissive and "shall" shall be construed as imperative.
- (4) Headings used herein are intended for convenience only and shall not affect the construction of these Articles.

## SHARES

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

Company, upon its liquidation, to the holders of the Preferred Shares;

- (d) the order of or restrictions on the voting right(s) (including, where applicable, a statement that such Preferred Shares have no voting rights whatsoever) of the holders of such Preferred Shares;
  - (e) other matters concerning rights and obligations incidental to the Preferred Shares; and
  - (f) the method by which the Company is authorised or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply.
- (2) Subject to the Law, the Memorandum and these Articles shall be amended with the sanction of a Special Resolution to stipulate the rights, benefits and restrictions of such Preferred Shares and the number of the Preferred Shares the Company is authorised to issue.
6. During the Relevant Period, subject to the sufficiency of the authorised share capital of the Company and these Articles, the issue of new ordinary Shares in the Company shall be approved by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors.
7. (1) The Company shall issue Shares without printing share certificates, provided that the Register shall be conclusive evidence of the entitlement of a Person to Shares recorded against his/her/its name. During the Relevant Period, whenever the Company issues Shares, the Company shall, in compliance with the Law and the Applicable Listing Rules and subject to receipt of the subscription price from each subscriber, deliver or cause the Shareholder Service Agent to deliver Shares by advising TDCC to record the number of Shares against the name of each subscriber within thirty (30) days from the date the Board resolves to issue Shares. The Company shall make a public announcement in accordance with the Applicable Listing Rules prior to the delivery of such Shares.
- (2) When the total number of Shares in every issuance has been subscribed to in full, the Company shall immediately request each of the subscribers for payment. Where the Company issues Shares at a premium, the amount in excess of par value shall be collected at the same time with the payment for Shares. Where a subscriber delays payment for Shares as mentioned above, the Company shall prescribe a period of not less than one (1) month and call upon each subscriber to pay up, declaring that in case of default of payment within that prescribed period the subscriber's right shall be forfeited. After the Company have made the aforesaid call, the subscribers who fail to pay accordingly shall forfeit their rights and the Shares subscribed to by them shall be otherwise sold. Under such circumstances, the Company may hold the subscriber liable for compensating the damage, if any, resulting from such default in payment.
- (3) The Company shall not issue bearer Shares.

- (4) The Company shall not issue any unpaid Shares or partial paid-up Shares to any Person. For the avoidance of doubt, a subscriber who fails to pay up the Shares pursuant to Paragraph (2) of this Article will not be considered a Member until the Shares to be subscribed are paid in full, and only if the Shares the subscriber subscribed have been paid in full may the subscriber's name be entered in the Register.
  - (5) The Company shall neither issue Shares without par value nor convert its Shares from Shares with par value to Shares without par value.
8. During the Relevant Period:
- (a) upon each issuance of new Shares, the Board may reserve not more than fifteen percent (15%) of the new Shares for subscription by the Employees pursuant to the Law and the Applicable Listing Rules; and
  - (b) where the Company issues new Shares for cash consideration, after the Board reserving certain percentage of the new Shares for subscription by the Employees pursuant to Subparagraph (a) of this Article, the Company shall allocate ten percent (10%) (or such greater percentage as the Company by an Ordinary Resolution determines) of the total number of the new Shares to be issued for offering in the R.O.C. to the public unless (i) the Commission, the TPEX and/or the TWSE (where applicable) considers such public offering unnecessary or inappropriate or (ii) the Applicable Listing Rules provide otherwise.
9. During the Relevant Period, subject to an Ordinary Resolution, upon each issuance of new Shares for cash consideration, the Company shall, after reserving the portion of new Shares for subscription by the Employees and public offering in the R.O.C. pursuant to Article 8, first offer such remaining new Shares, by a public announcement and a written notice to each existing Member respectively, stating that in case any such existing Member fails to confirm his/her/its subscription within the prescribed period his/her/its subscription right shall be forfeited, for the subscription of each such existing Member in proportion to the number of Share(s) held by him/her/it, provided that:
- (a) where any fractional Share held by a Member is insufficient to subscribe for one new Share, the fractional Shares being held by several Members may be combined for joint subscription of one or more integral new Shares or for subscription of new Shares in the name of a single Member;
  - (b) the existing Member(s) may assign and transfer his subscription right to other Persons independently of his original Shares; and
  - (c) new Shares left unsubscribed may be offered to the public or to specific Persons through negotiation.

10. (1) Subparagraph (a) of Article 8 and Article 9 shall not apply whenever the new Shares are issued due to the following reasons:

- (a) in connection with a Merger or a Consolidation of the Company or a Spin-off of the Company's business, or pursuant to any reorganisation of the Company save as otherwise provided by these Articles;
- (b) in connection with meeting the Company's obligation under Share subscription warrants and/or options granted to the Employees;
- (c) in connection with distribution of the Employees' compensation;
- (d) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to acquire Shares;
- (e) in connection with meeting the Company's obligation under share subscription warrant or Preferred Shares vested with rights to acquire Shares; or
- (f) in connection with issuance of new Shares to the existing Members by capitalisation of the Company's reserves in accordance with these Articles.

(2) Article 8 and Article 9 shall not apply to any of the following circumstances:

- (a) the Company, as the surviving company, issues new Shares for a Merger, or the Company issues new shares for the Merger between its subsidiary and other companies;
- (b) all new Shares are issued as consideration for being acquired by the other company with the intention of takeover;
- (c) all new Shares are issued as consideration for the acquisition of issued shares, business, or assets of other companies;
- (d) new Shares are issued for the share exchange entered into by the Company,
- (e) new Shares are issued for a Spin-off effected by the transferor company;
- (f) new Shares are issued in connection with any Private Placement conducted pursuant to Article 13; or
- (g) new Shares are issued in connection with any other event otherwise prohibited, limited, restricted or exempted to so apply pursuant to the Law and/or the Applicable Listing Rules.

(3) New Shares issued for any of the circumstances in the preceding Paragraph may be paid up in cash or assets as required for the business of the Company.

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

capitalisation and shareholder services, shall comply with the Law, the Applicable Listing Rules and the Regulations Governing the Administration of Shareholder Services of Public Companies of the R.O.C. (as revised).

### **MODIFICATION OF RIGHTS**

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

### **REGISTER AND REGISTER OF BENEFICIAL OWNERSHIP**

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

### **REDEMPTION AND REPURCHASE OF SHARES**

20. (1) Subject to the Law and these Articles, Shares may be issued on the terms that they are, or at the option of the Company or the holder are, to be redeemed on such terms and in such manner as the Company, before the issue of the shares, may by Special Resolution determine.

- (2) All Preferred Shares may be redeemed in accordance with the provisions of the Law, provided that the privileges accorded to holders of the Preferred Shares by these Articles shall not be impaired under the Law and the Applicable Listing Rules.
- 21.
  - (1) Subject to the Law, the Applicable Listing Rules and these Articles, upon the approval of a majority of the Directors present at a Board meeting attended by two-thirds or more of Directors, the Company may purchase its own Shares.
  - (2) During the Relevant Period:
    - (a) The number of Shares to be purchased by the Company from time to time shall not exceed ten percent (10%) of the total number of issued and outstanding Shares and the total amount of the Shares to be purchased by the Company shall not exceed the aggregate amount of retained profits, premium on capital stock, and realized Capital Reserve.
    - (b) Such resolutions of the Board approving purchases of Shares and the implementation thereof (including the failure of any purchase of Shares as approved by such resolutions, if any) shall be reported to the Shareholders at the next general meeting of the Company.
- 22.
  - (1) Shares repurchased, redeemed or acquired (by way of surrender or otherwise) by the Company shall be cancelled immediately or held as Treasury Shares, upon such terms and manner and subject to such conditions as the Board thinks fit.
  - (2) During the Relevant Period, all matters relating to the Company's redemption and repurchase of Shares shall be subject to the Law and the Applicable Listing Rules.
- 23.
  - (1) Subject to the Law, for so long as the Company holds Treasury Shares, the Company shall be entered in the Register as the holder of the Treasury Shares, provided that:
    - (a) the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
    - (b) the Treasury Shares shall not be pledged or encumbered in any manner whatsoever;
    - (c) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued Shares at any given time, whether for the purposes of these Articles or the Law; and
    - (d) no dividend/bonus may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any

distribution of assets to Members on a winding up) may be made to the Company, in respect of a Treasury Share.

- (2) Subject to the Law and these Articles, any or all Treasury Shares may at any time be canceled or transferred to any person (including the Employees; the qualifications of such employees shall be determined by the Board, subject to Paragraph (5) of this Article) upon such terms and manner and subject to such conditions as the Board thinks fit. The Board may determine, at its discretion, the terms and conditions (including a lock-up period restricting the transfer of any Treasury Shares transferred to the Employees pursuant to this Paragraph (2) for a term of up to two (2) years) of such transfer.
- (3) A sum equal to the consideration (if any) received by the Company pursuant to the transfer of Treasury Share(s) shall be credited in accordance with the Law.
- (4) Subject to Paragraph (5) of this Article and the Law, the Company may, by way of a Special Resolution passed at the next general meeting of the Company, transfer the Treasury Shares to the Employees for a price that is below the average price that the Company has paid to purchase such Treasury Shares (the “**Discount Transfer**”), provided that the following matters shall be specified in the notice of such general meeting with the description of their major contents, and shall not be proposed as ad hoc motions:
  - (a) the transfer price of the Treasury Shares as determined by the Board, the discount rate used for the Discount Transfer, and the calculation basis of the Discount Transfer, and the basis of such determination;
  - (b) the amount of the Treasury Shares to be transferred pursuant to, and the purpose of, the Discount Transfer, and the basis of such determination;
  - (c) the qualification and terms of the Employees to whom the Treasury Shares are transferred and the amount of Treasury Shares for which such Employees may subscribe pursuant to the Discount Transfer;
  - (d) matters that the Board is of the opinion that may affect Shareholders' equity, including:
    - (i) any expenses that may be incurred and dilution of per share profit, if any, due to the Discount Transfer in accordance with the Applicable Listing Rules; and
    - (ii) any burden on the Company caused by the Discount Transfer in accordance with the Applicable Listing Rules.
- (5) The total aggregate amount of the Treasury Shares to be transferred to the Employees pursuant to the Discount Transfer in accordance with Paragraph (4) of this Article shall not exceed five percent (5%) of the total number of issued and

outstanding Shares of the Company, and each Employee shall not subscribe for more than point five percent (0.5%) of the total issued and outstanding Shares of the Company in aggregate.

24. (1) Notwithstanding anything to the contrary contained in these Articles but subject to the Law, the Company may carry out a compulsory purchase and cancellation of its Shares on a pro rata basis (rounded up or down to the nearest whole number) among the Shareholders in proportion to the number of Shares held by each such Shareholder subject to approval by a Special Resolution. The purchase price payable to the Shareholders in connection with a purchase of Shares described in the preceding sentence may be paid in cash or in kind. Where any purchase price is paid in kind, the type of such payment in kind and the corresponding amount of such substitutive distribution shall be subject to approval by a Special Resolution as well as individual consent by the Shareholder(s) receiving such payment in kind. Prior to convening the general meeting for approving such purchase of Shares, the Board shall determine the monetary equivalent value of any purchase price to be paid in kind and have such value audited and certified by a certified public accountant in the R.O.C.
- (2) [*Intentionally Deleted*].

#### **TRANSFER AND TRANSMISSION OF SHARES**

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

#### **NON-RECOGNITION OF TRUSTS**

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

#### **CLOSING REGISTER OR FIXING RECORD DATE**

28. (1) The Board may fix in advance the record date(s) for (a) determining the Members

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

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

## **GENERAL MEETINGS**

29. The Company shall in each year hold a general meeting as its annual general meeting, and the day and the time of an annual general meeting shall be determined by the Board PROVIDED HOWEVER that during the Relevant Period, an annual general meeting shall be convened within six months after close of each financial year or such other period as may be permitted by the Commission, the TPEX or the TWSE (where applicable). The annual general meeting shall be convened by the Board.
30. All general meetings other than annual general meetings shall be called extraordinary general meetings. The Board may, whenever they think fit, convene an extraordinary general meeting of the Company.
31. During the Relevant Period, all general meetings to be held in physical locations shall be held in the R.O.C. At any time other than during the Relevant Period, the Board may convene any general meeting at such place as it deems fit.
32.
  - (1) Any one or more Member(s) may, by depositing the requisition notice specifying the proposals to be resolved and the reasons thereof, request the Board to convene an extraordinary general meeting, provided that such Member or Members continuously holds at least three percent (3%) of the issued Shares of the Company as at the date of deposit of the requisition notice for a period of at least one year immediately prior to that date. If the Board does not give notice to Members to convene such meeting within fifteen (15) days after the date of the requisition notice, the proposing Member(s) may convene a general meeting.
  - (2) Any one or more Member(s) continuously holding more than half of the total issued Shares of the Company for a period of no less than three (3) months may convene an extraordinary general meeting. The number of Shares held by such Member or

Members and the holding period of which such Member or Members hold such Shares shall be calculated and determined based on the Register as of the first day of the Book Closure Period.

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

#### **NOTICE OF GENERAL MEETING**

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

indicated in the notice:

- (a) any election or removal of Director(s);
  - (b) any alteration of the Memorandum and/or these Articles;
  - (c) any capital reduction or compulsory purchase and cancellation of Shares pursuant to Paragraph (1) of Article 24;
  - (d) applying for the approval of ceasing the status as a public company;
  - (e) any dissolution, voluntary winding-up, Merger, share exchange, Consolidation or Spin-off of the Company;
  - (f) entering into, amending, or terminating any contract for lease, management or regular joint operation of the Company's whole business;
  - (g) the transfer of the whole or any material part of the Company's business or assets;
  - (h) the acquisition of the whole business or assets of a Person, which has a material effect on the operation of the Company;
  - (i) carrying out a Private Placement of any equity-type securities issued by the Company;
  - (j) granting a waiver to a Director's non-competition obligation or approving a Director to engage in activities in competition with the Company;
  - (k) distributing dividends, bonuses or other distributions payable on or in respect of the Share in whole or in part by way of issuance of new Shares; and
  - (l) capitalisation of the Company's Statutory Reserve, the Share Premium Account and/or the income from endowments received by the Company in the Capital Reserve, by issuing new Shares and/or cash to its existing Members.
37. During the Relevant Period, the Company shall prepare a manual for each general meeting, and such manual and relevant materials shall be published on the website designated by the Commission, the TPEX or the TWSE (where applicable) twenty-one (21) days prior to the scheduled date of the relevant annual general meeting and fifteen (15) days prior to the scheduled date of the relevant extraordinary general meeting pursuant to the Applicable Listing Rules. However, in the event the Company's total paid-in capital as of the close of the most recent financial year reaches NT\$2 billion or more, or when the aggregate number of Shares held by the foreign investors and Mainland Chinese investors reached thirty percent (30%) or more as recorded in the Register at the time of holding of the general meeting in the most recent financial year, the Company shall upload the electronic files of the abovementioned manual and relevant materials thirty (30) days prior to the scheduled date of the relevant annual general meeting.

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

### **PROCEEDINGS AT GENERAL MEETINGS**

39. (1) No business, other than the appointment of a chairman of the meeting, shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as otherwise provided by these Articles, at least two Members present in person or by proxy or (in the case of a Member being a corporation) by its duly authorised representative representing more than one-half of the total issued and outstanding Shares with voting rights shall be a quorum of Members for all purposes.
- (2) When a general meeting is held, a Member may participate in the general meeting through the medium of video conference call or any other form of communications designated and announced by the competent authority set forth in the Company Act of the R.O.C.; provided that in case of calamities, unforeseen incidents, or force majeure, the competent authority set forth in the Company Act of the R.O.C. may announce and designate that during a prescribed period the Company shall hold a general meeting by means of video conference call or any other form of communications without regard to lack of express provisions in these Articles. A Member participating in this way is deemed to be present in person at the general meeting.
- (3) During the Relevant Period, with respect to participation of a general meeting through the medium of video conference call referred to in the preceding Paragraph, the Company shall comply with the conditions, operating procedures and other matters prescribed by the Applicable Listing Rules.
40. (1) During the Relevant Period, one or more Member(s) holding one percent (1%) or more of the total issued Shares of the Company may submit to the Company not more than one proposal in writing or by way of electronic transmission for resolution at an annual general meeting.
- (2) During the Relevant Period, prior to the commencement of the period in which the Register is closed for transfers before an annual general meeting, the Company shall make a public announcement of the place and the period for Members to submit proposals; provided that the period for submitting such proposals shall not be less than ten (10) days.
- (3) The Member who has submitted a proposal shall attend, in person or by a proxy, such general meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.
- (4) The Board shall include a proposal submitted by Member(s) unless:

- (a) the proposal involves matters which cannot be settled or resolved at a general meeting under the Law, the Applicable Listing Rules and these Articles;
  - (b) the number of Shares held by the proposing Member(s) is less than one percent (1%) of the total issued Shares in the Register upon commencement of the Book Closure Period before the relevant annual general meeting of the Company;
  - (c) the proposal contains more than one matter;
  - (d) the proposal contains more than three hundred (300) words; or
  - (e) the proposal is submitted after the expiration of the specified period announced by the Company for submitting proposals.
- (5) If a proposal submitted by Member(s) is intended to urge the Company to promote public interests or fulfil its social responsibilities, the Board may include the proposal notwithstanding that the circumstances set forth in the Subparagraph (a) of the preceding Paragraph (4) of this Article applies.
- (6) The Company shall, prior to the despatch of a notice of the relevant annual general meeting, inform all the proposing Members of whether their proposals are accepted or not, and shall list in the notice of the relevant annual general meeting all the accepted proposals. The Board shall explain at the relevant annual general meeting the reasons for excluding any proposal submitted by Members.
41. The Chairman shall preside as chairman at every general meeting of the Company convened by the Board. For a general meeting convened by any Person other than the Board, such Person shall act as the chairman of that meeting; provided that if there are two or more Persons jointly convening such meeting, the chairman of the meeting shall be elected from those Persons.
42. If at any general meeting the Chairman is not present or is unwilling to act as chairman, he shall appoint one of the Directors to act on his behalf. In the absence of such appointment, the Directors present may choose one of them to be the chairman of that general meeting.
43. A general meeting may be adjourned by the Company by an Ordinary Resolution from place to place within five (5) days, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for more than five (5) days, notice of the time and location of the adjourned meeting shall be given as in the case of an original meeting.
44. At any general meeting, a resolution put to the vote of the meeting shall be decided on a poll.
45. Unless otherwise expressly required by the Law, the Applicable Listing Rules or these Articles, any matter proposed for approval by the Members at a general meeting shall be passed by an Ordinary Resolution.

46. (1) Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution:
- (a) enter into, amend, or terminate any contract for lease, management or regular joint operation of its whole business;
  - (b) transfer the whole or any material part of its business or assets;
  - (c) acquire the whole business or assets of a Person, which has a material effect on the operation of the Company;
  - (d) distribute dividends, bonuses or other distributions in whole or in part by way of issuance of new Shares;
  - (e) effect any Spin-off of the Company;
  - (f) enter into any share exchange;
  - (g) authorise a plan of Merger or Consolidation involving the Company;
  - (h) resolve that the Company be wound up voluntarily for reasons other than the reason provided in Article 47;
  - (i) carry out a Private Placement;
  - (j) grant a waiver to a Director's non-competition obligation, or approve a Director to engage in activities in competition with the Company;
  - (k) change its name;
  - (l) change the currency denomination of its share capital;
  - (m) increase the share capital by such sum, to be divided into new Shares of such Classes of such par value, as the resolution shall prescribe;
  - (n) consolidate and divide all or any of its share capital into Shares of a larger par value than its existing Shares;
  - (o) subdivide its existing Shares, or any of them, into Shares of a smaller par value than is fixed by the Memorandum;
  - (p) cancel any Shares that, at the date of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled;
  - (q) subject to these Articles (including without limitation Articles 16 and 17), alter

or amend the Memorandum or these Articles, in whole or in part;

- (r) reduce its share capital and any fund of the capital redemption reserve in any manner authorised by the Law and the Applicable Listing Rules;
  - (s) appoint an inspector to examine the affairs of the Company under the Law;
  - (t) [*Intentionally Deleted*]; and
  - (u) apply for the approval of ceasing the status as a public company.
- (2) Notwithstanding anything contained in these Articles, unless otherwise provided by the Law and the Applicable Listing Rules, in case the Company is dissolved after participating in the merger/consolidation or the Company is delisted from the TPEX or TWSE due to the general transfer (or the assignment of all rights and delegation of all duties of the Company), the transfer of business or assets of the Company, any share exchange or any Spin-off entered into or carried out by the Company while the surviving, transferee, existing or newly incorporated company is not a listed company (including TWSE/TPEX listed company), any such action aforementioned shall be approved by the affirmative vote of at least two-thirds (2/3) of the total votes cast by the Members of the Company.

47. Subject to the Law and the Applicable Listing Rules, the Company may by an Ordinary Resolution resolve that the Company be wound up voluntarily if the Company is unable to pay its debts as they fall due.

48. (1) Subject to the compliance with the Law, in the event any of the resolutions with respect to the matter(s) as set out in Subparagraph (a), (b) or (c) of Paragraph (1) of Article 46 is adopted at a general meeting, a Member who has notified the Company in writing of his objection to such proposal prior to that meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair price; provided, however, that no Member shall have the abovementioned appraisal right if the resolution to be adopted is in relation to the matter(s) set out in Subparagraph (b) of Paragraph (1) of Article 46 and at the same meeting the resolution for the winding up of the Company is also adopted.

(2) Subject to the compliance with the Law, in the event that the Company resolves to carry out any Spin-Off, Consolidation, Merger, acquisition or share exchange (collectively, the "**Merger and Acquisition**"), a Member expressing his dissent in accordance with the Applicable Listing Rules may request the Company to purchase all of his Shares at the then prevailing fair price.

(3) Without prejudice to the Law, a Member who votes against or waives his voting right at the meeting may request the Company to repurchase all of his Shares pursuant to Paragraphs (2) of this Article. In the event the Company and such Member fail to reach an agreement on the purchase price within sixty (60) days following the date of the resolution, the Company shall, within thirty (30) days after such sixty (60) days

period, file a petition against all Members who fail to reach such an agreement (collectively, the "**Dissenting Members**") with the R.O.C. Courts for a ruling on the appraisal price, and may designate Taiwan Taipei District Court of the R.O.C. as the court of first instance. Any and all votes waived by a Member referred to in this Paragraph shall not be counted toward the number of votes represented by the Members present at a general meeting.

- (4) Without prejudice to the Law, a Member making a request pursuant to Paragraphs (1) or (2) of this Article shall make such request in writing within twenty (20) days after the date of the general meeting adopting resolutions with respect to the matter(s) as set out in Subparagraph (a), (b) or (c) of Paragraph (1) of Article 46 or the Merger and Acquisition, and specify the repurchase price. If the Member and the Company reach an agreement on the repurchase price, the Company shall pay for the Shares to be repurchased within ninety (90) days after the date of the general meeting adopting such resolutions. In case no agreement is reached, the Company shall pay the fair repurchase price determined at its discretion to the Dissenting Members with whom the Company fail to reach an agreement within ninety (90) days after the date of the general meeting adopting such resolutions. If the Company fails to pay the price, it shall be considered to have accepted the repurchase price proposed by such Dissenting Members.
- (5) Notwithstanding Paragraphs (2), (3) and (4) of this Article, nothing under this Article shall restrict or prohibit a Member from exercising his right under section 238 of the Companies Act (As Revised) of the Cayman Islands and any amendment or other statutory modification thereof to payment of the fair value of his shares upon dissenting from a Consolidation or Merger.

49. In case the procedure for convening a general meeting in which a resolution is adopted or the method of adopting a resolution is in violation of the Law, the Applicable Listing Rules or these Articles, a Member may, if and to the extent permitted under the Law, within thirty (30) days from the date of the resolution, submit a petition to the Taiwan Taipei District Court of the R.O.C., as applicable, for an appropriate remedy, including but not limited to, requesting the court to invalidate and cancel the resolution adopted therein.
50. Notwithstanding anything to the contrary provided for in these Articles, at any time other than during the Relevant Period, a resolution (including a Special Resolution) in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being Juristic Persons by their duly authorized representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.
51. The proceedings regarding general meetings and the voting in general meetings not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by the Company by an Ordinary Resolution from time to time; during the Relevant Period, such internal rules shall be in compliance with the Law and the Applicable Listing Rules.

## VOTES OF MEMBERS

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

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

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

### **PROXY**

59. (1) A Member may appoint a proxy to attend a general meeting on his behalf by executing a proxy form produced by the Company stating therein the scope of power authorized to the proxy. A proxy need not be a Member.
- (2) During the Relevant Period, subject to the Law and unless otherwise provided in these Articles, forms of instrument of proxy for use at a general meeting shall be produced by the Company specifying therein (a) the instructions for filling out the form, (b) the

matters to be entrusted by the Member or to be voted upon pursuant to such proxy, and (c) the basic information of the Member as appointor, the proxy and the proxy solicitor (if any) and shall be sent out together with the notice of general meeting to all Members on the same day.

60. A Member may only appoint one proxy for each general meeting irrespective of how many Shares he holds and shall serve an executed proxy in compliance with the preceding Article to the Company or its Shareholder Service Agent as the case may be no later than five (5) days prior to the date of the general meeting. In case the Company receives two or more proxies from one Member, the one received first by the Company shall prevail unless an explicit statement by the Member to revoke such proxy is made in the subsequent proxy, provided this subsequent proxy is received no later than five (5) days prior to the date of the general meeting.
61. In case a Member who has served a proxy intends to attend the relevant general meeting in person or to exercise his voting power by way of a written ballot or electronic transmission, he shall, at least two (2) days prior to the date of the general meeting, revoke such proxy by serving a separate written notice to the Company or Shareholder Service Agent. Otherwise, the votes cast by the proxy at the general meeting shall prevail.
62. A Member who has served the Company with his voting decision in accordance with Article 57 for the purpose of exercising his voting power by way of a written ballot or by way of electronic transmission may appoint a person as his proxy to attend the meeting in accordance with these Articles, in which case the vote cast by such proxy shall be deemed to have revoked his previous voting decision served on the Company and the Company shall only count the vote(s) cast by such expressly appointed proxy at the meeting.
63. During the Relevant Period, except for trust enterprises or shareholder service agencies duly licensed under the R.O.C. competent authorities or the chairman of a general meeting who is deemed appointed as proxy pursuant to Article 57, where a Person acts as a proxy for two or more Members, the number of voting Shares that the proxy may vote in respect thereof shall not exceed three percent (3%) of the total number of issued and outstanding voting Shares; otherwise, such number of voting Shares in excess of the aforesaid threshold shall not be counted towards the number of votes cast for or against the relevant resolution or the number of voting Shares present at the relevant general meeting but shall be included in the quorum. Upon such exclusion, the number of voting Shares being excluded and attributed to each Member represented by the same proxy shall be determined on a pro-rata basis based on the total number of voting Shares being excluded and the number of voting Shares that such Members have appointed the proxy to vote for.
64. The use and solicitation of proxies not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by the Board from time to time, which shall be in compliance with the Law and the Applicable Listing Rules (in particular, the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of R.O.C. Public Companies (as amended, supplemented or otherwise modified from time to time)).

## DIRECTORS AND THE BOARD

65. (1) The Board shall consist of not less than five (5) or more than twelve (12) Directors (including Independent Directors). Subject to the foregoing, the number of Directors to be elected and hold the office shall be stated in the notice of the general meeting in which an election of Directors will be held.
- (2) A Director can be a natural person or a Juristic Person. Where a Director is a Juristic Person, it shall designate a natural person as its authorized representative to exercise, on its behalf, the powers of a Director and may replace such representative from time to time so as to fulfil its remaining term of the office. A Director shall not be required to hold any Shares in the Company.
- (3) Directors shall be elected by Members at general meetings. Any Juristic Person which is a Member shall be entitled to appoint a natural person or natural persons as its representative(s) to be nominated for election as Director in accordance with these Articles.
- (4) The principle of cumulative voting shall apply in any election of Directors pursuant to this Article. Each Member entitled to vote in such election shall have a number of votes equal to the product of (a) the number of votes conferred by such Member's Shares and (b) the number of Directors to be elected at the general meeting. Each Member may divide and distribute such Member's votes, as so calculated, among any one or more candidates for the directorships to be filled, or such Member may cast such Member's votes for a single candidate. At such election, the candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be elected. Notwithstanding anything to the contrary in these Articles, at any time other than the Relevant Period, the Company may by Ordinary Resolution appoint any Person to be a Director or remove any Director from office.
- (5) The proceedings and the voting regarding the election of Directors not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by an Ordinary Resolution from time to time, which shall be in compliance with the Law and the Applicable Listing Rules.
66. The Company may, whenever it thinks fit, adopt and apply a candidate nomination mechanism for election of any of the Directors in accordance with the Applicable Listing Rules. Notwithstanding the foregoing, during the Relevant Period, a candidate nomination mechanism shall be adopted for election of all Directors. Upon adoption of candidate nomination mechanism, the Directors and Independent Directors shall be elected by the Members at a general meeting from among the nominees listed in the respective rosters of director candidates and independent director candidates. Subject to the Law and the Applicable Listing Rules, the Board may establish detailed rules and procedures for such candidate nomination.
67. Subject to these Articles, each Director shall be appointed to a term of office not exceeding three (3) years and is eligible for re-election. In case no election of new Directors is effected

prior to the expiration of the term of office of existing Directors, the term of office of such existing Directors shall be extended until the time such Directors are re-elected or new Directors are duly elected and assume their office subject to these Articles. In the event of any vacancy in the Board, the new Director elected in the general meeting shall fill the vacancy for the residual term of office.

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

office or place of profit nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.

73. (1) Without prejudice to the duties owed by a Director to the Company under common law of the Cayman Islands and subject to the Law, the Directors shall assume fiduciary duties to the Company and without limitation, the due care of a good administrator, exercise due care and skill and act in the best interest of the Company in conducting the business operation of the Company, including matters in connection with Spin-off, Consolidation, Merger, or acquisition of the Company. A Director may be liable to the Company if he acts contrary to his duties. In circumstances where a Director breaches any of such duties and acts for his/her or other Person's interest, the Company may, with the sanction of an Ordinary Resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover any and all earnings derived from such act as if such misconduct is done for the benefit of the Company.
- (2) If a Director violates any law in the course of conducting the business of the Company, he shall be jointly and severally liable with the Company for the damages resulting from such violation.
- (3) The preceding two paragraphs of this Article shall apply, mutatis mutandis, to the officers of the Company who are authorised to act on its behalf in a senior management capacity.
74. Subject to these Articles, a Director other than an Independent Director may act by himself or his firm in a professional capacity for the Company (except that of Auditor), and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
75. To the extent permitted by the Law, the Company may pay, or agree to pay, a premium in respect of a contract insuring each of the following persons against risks determined by the directors, other than liability arising out of that person's negligence and/or dishonestly: an existing or former director (including alternate director), secretary or officer or Auditor of the Company; a company which is a subsidiary of the Company; and a company in which the Company has or had an interest (whether direct or indirect).
76. During the Relevant Period, the qualifications, election, removal, power, authority and other requirements for Directors (including Independent Directors), which are not covered by these Articles, shall be in compliance with the Applicable Listing Rules.

### **INDEPENDENT DIRECTORS**

77. (1) During the Relevant Period, the number of Independent Directors of the Company shall not be less than three (3) or one-third of the total number of Directors at any time, whichever is greater. Two (2) of the Independent Directors shall have resident status of the R.O.C. (such resident status being registered with local government authorities)

PROVIDED HOWEVER that the number of Independent Directors of the Company shall not be less than four (4) when the Chairman is also the general manager or holds an office equivalent to the general manager or when a spousal relationship or a familial relationship within the first degree of kinship as defined under the Civil Code of Taiwan exists between the Chairman and the general manager of the Company or between the Chairman and an officer equivalent to the general manager of the Company.

- (2) Subject to the foregoing, the number of Independent Directors to be elected and hold the office shall be stated in the notice of the general meeting in which an election of Independent Directors will be held. When an Independent Director ceases to act, resulting in a number of Independent Directors then in office lower than the prescribed minimum number, an election for an Independent Director shall be held at the next general meeting. When all Independent Directors cease to act, the Company shall convene an extraordinary general meeting to hold an election of Independent Directors within sixty (60) days from the date on which the situation arose.

78. Independent Directors shall possess professional knowledge and shall maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions held by the Independent Directors shall be as prescribed by the Applicable Listing Rules, and the assessment of independence of such Independent Directors shall be in compliance with the Applicable Listing Rules. The Board or other Persons calling a general meeting at which an election for Independent Directors is proposed shall ensure that the requirements of this Article have been satisfied and complied with in relation to any candidate for Independent Director.

### **POWERS AND DUTIES OF THE BOARD**

79. (1) Subject to the Law, these Articles, the Applicable Listing Rules and any resolutions passed in a general meeting, the business of the Company shall be managed by the Board in such manner as it shall think fit, which may pay all reasonable expenses in connection with business management, including but not limited to expenses incurred in forming and registering the Company and may exercise all powers of the Company.

- (2) If the Board fails to comply with the Applicable Listing Rules, these Articles and any resolutions passed in a general meeting in dealing with matters in connection with Spin-off, Consolidation, Merger, or acquisition of the Company, as a result of which the Company suffers damages, any Director involved in decision-making related thereto shall be liable to the Company in respect of the damages suffered by the Company. However, a Director may be exempted from the liability if the minutes of the Board meeting or written statement demonstrates such Director's dissent.

- (3) Except as otherwise provided by these Articles, the compensation to be paid to the Directors shall be determined by the Board in accordance with the standard prevalent in the industry by reference to recommendation made by the remuneration committee (if established). Such compensation shall be deemed to accrue from day to day, and the Directors shall also be entitled to be paid their travelling, hotel and other expenses

properly incurred by them in going to, attending and returning from Board meetings of the Directors, or any committee established under Article 82, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Board from time to time, or a combination partly of one such method and partly the other.

80. The Board may from time to time appoint any Person to hold such office in the Company as the Board may think necessary for the management of the Company, including but not limited to officers and managers, and for such term and at such remuneration as the Board may think fit. Any Person so appointed by the Board may be removed by the Board.
81. The Board may appoint a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as the Board thinks fit. Any Secretary or assistant Secretary so appointed by the Board may be removed by the Board. The Secretary shall attend all general meetings and shall keep correct minutes of such meetings. Subject to the Applicable Listing Rules, the Secretary shall also perform such other duties as are prescribed by the Law or as may be prescribed by the Board.

## COMMITTEES

82. Subject to the Law and the Applicable Listing Rules, the Board may, or the Company may by an Ordinary Resolution, establish any committee(s) and delegate any of their powers, authorities and discretions to such committee(s) (including but not limited to an audit committee and a remuneration committee) consisting of such member or members of their body or any other Persons as the Board thinks fit. Any committee(s) so formed shall, in the exercise of the powers, authorities and discretions so delegated, and in conducting its proceedings, conform to any regulations that may be imposed on it by the Board pursuant to the Applicable Listing Rules. If no regulations are imposed by the Board, the proceedings of a committee with two (2) or more members shall be, as far as is practicable, governed by these Articles regulating the proceedings of the Board.
  - 82.1(1) During the Relevant Period, unless otherwise provided by the Law and the Applicable Listing Rules, the Company shall establish an audit committee; regulations governing the professional qualifications for its members, the formation of audit committee, the exercise of their powers of office, and related matters shall be prescribed and amended from time to time by the Board in accordance with the Applicable Listing Rules.
  - (2) The audit committee of the Company shall be composed of all the Independent Directors. The audit committee shall not be fewer than three Persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise. A resolution of the audit committee shall have the concurrence of one-half or more of the members of the audit committee.
  - (3) The following matters shall be subject to the consent of one-half or more of all members of the audit committee of the Company and shall be thereafter submitted to

the Board for a resolution:

- (a) Adoption or amendment of an internal control system.
  - (b) Assessment of the effectiveness of the internal control system.
  - (c) Adoption or amendment of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
  - (d) A matter bearing on the personal interest of a Director.
  - (e) A material asset or derivatives transaction.
  - (f) A material monetary loan, endorsement, or provision of guarantee.
  - (g) The offering, issuance, or Private Placement of any equity-type securities.
  - (h) The hiring or dismissal of an Auditor, or the compensation given thereto.
  - (i) The appointment or discharge of a financial, accounting, or internal auditing officer.
  - (j) Annual and semi-annual financial reports.
  - (k) Any other material matter so required by the Company or the competent authority.
- (4) With the exception of Subparagraph (j) above, any matter under a subparagraph of the preceding paragraph that has not been approved with the consent of one-half or more of all members of the audit committee of the Company may be undertaken upon the approval of two-thirds or more of the Directors, without regard to the restrictions of the preceding paragraph, and such resolution of the audit committee of the Company shall be recorded in the minutes of the Board meeting.

82.2(1) During the Relevant Period, unless otherwise provided by the Law and the Applicable Listing Rules, the Company shall establish a remuneration committee; regulations governing the professional qualifications for its members, the formation of remuneration committee, the exercise of their powers of office, and related matters shall be prescribed and amended from time to time by the Board in accordance with the Applicable Listing Rules. Remuneration referred to in this Paragraph shall include salary, stock options, and any other substantive incentive measures for Directors and managerial officers under the Law or the Applicable Listing Rules.

- (2) The members of the remuneration committee of the Company shall be appointed by the Board and shall not be fewer than three members, a majority of whom shall be the Independent Directors.

- (3) The remuneration committee of the Company shall exercise the care of a good administrator and in good faith when performing the official powers listed below, and shall submit its recommendations for deliberation by the Board:
  - (a) Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for Directors and officers.
  - (b) Periodically evaluate and prescribe the remuneration of Directors and officers.
  - (c) Any other material matter so required by the Company or the competent authority.

- 82.3(1) During the Relevant Period, prior to any resolution of the Merger and Acquisition by the Board, the audit committee of the Company shall review the fairness and reasonableness of the plan and transaction of the Merger and Acquisition, and then submit review results to the Board and the general meeting of the Company. However, the audit committee of the Company may elect not to submit the aforesaid review results to the Members at a general meeting if the Law provides that the Merger and Acquisition to be resolved requires no approval by the Members.
  - (2) When reviewing the abovementioned matters, the audit committee of the Company shall seek opinions from an independent expert on the reasonableness of the share exchange ratio or the distribution of cash or other assets.
  - (3) The Company shall send the review results of the audit committee of the Company and opinions of independent experts to all Members together with the notice of general meeting in which the Merger and Acquisition is to be resolved. However, the Company shall report the Merger and Acquisition to the Members at the most recent general meeting if the Law provides that the Merger and Acquisition to be resolved requires no approval by the Members.
  - (4) If the Company posted the aforesaid review results and opinions of independent experts on a website designated by the R.O.C. competent authorities and arranged for the same documents to be made available at the venue of the general meeting of the Company for inspection by Members, those documents shall be deemed as having been sent to all Members.

#### **DISQUALIFICATION AND VACATION OF OFFICE OF DIRECTORS**

83. (1) During the Relevant Period, a person who is under any of the following circumstances shall not act as a Director of the Company; if he has already held office of a Director, he shall cease to act as a Director and be removed from the position of Director automatically:
  - (a) commits a felony (including but not limiting to an offence under Statute for Prevention of Organizational Crimes of the R.O.C.) and has been convicted thereof, and either (i) he has not started serving the sentence, (ii) he has not

- completed serving the sentence, or (iii) the time elapsed after completion of serving the sentence, expiration of the probation, or pardon is less than five (5) years;
- (b) has been imposed a final sentence involving imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and either (i) he has not started serving the sentence, (ii) he has not completed serving the sentence, or (iii) the time elapsed after completion of serving the sentence, expiration of the probation, or pardon is less than two (2) years;
  - (c) has been imposed a final sentence due to violation of the Anti-corruption Act, and either (i) he has not started serving the sentence, (ii) he has not completed serving the sentence, or (iii) the time elapsed after completion of serving the sentence, expiration of the probation, or pardon is less than two (2) years;
  - (d) becomes bankrupt or is adjudicated of commencement of liquidation proceeding by a court under the laws of any jurisdiction, and has not been reinstated to his rights and privileges;
  - (e) has allowed cheques and other negotiable instruments to be dishonoured and the records thereof have not been cancelled or expunged by the relevant regulatory authorities;
  - (f) dies or an order has been made by any competent court or authority on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and such order has not been revoked, or his legal capacity is restricted according to the applicable laws;
  - (g) ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under any provisions of the Law and/or Applicable Listing Rules;
  - (h) ceases to be a Director by virtue of Article 84;
  - (i) resigns his office by notice in writing to the Company;
  - (j) is removed from office pursuant to these Articles; or
  - (k) has been ordered to be removed from office by the R.O.C. Courts on the grounds that such Director, in the course of performing his duties, committed serious violations of the Law, Applicable Listing Rules or these Articles, or acts resulting in material damage to the Company, upon a petition by the Company or Member(s) to the R.O.C. Courts.
- (2) During the Relevant Period, in case a Director (other than Independent Director) has transferred some or all his Shares during the term of his office as a Director, such that the remaining Shares held by him are less than one half of the Shares being held by

him at the time he was elected, he shall, ipso facto, cease to act as a Director and be removed from the position of Director automatically.

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

## **PROCEEDINGS OF THE BOARD**

87. The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate and shall from time to time establish internal rules in this regard, which shall be in compliance with the Law and the Applicable Listing Rules. During the Relevant Period, the Board meetings shall be held at least once in each quarter or within such period and frequency as may be prescribed by the Applicable Listing Rules. The quorum necessary for the transaction of the business of the Board shall be a majority of the Directors. Subject to the Law, the Applicable Listing Rules and these Articles, any matter proposed for consideration and approval at a Board meeting shall be decided by a majority of votes entitled so to do.
88. A Director may, and the Secretary on the requisition of a Director shall, summon a Board meeting by, during the Relevant Period, at least seven (7) days' notice in writing, or at any time other than during the Relevant Period, at least forty eight hours' notice in writing, to every Director which notice shall set forth the general nature of the business to be considered PROVIDED HOWEVER, without prejudice to the prescribed notice, in the event of emergency, as determined by the Board in its sole discretion, a Board meeting may be called at any time upon a written notice given in accordance with the Applicable Listing Rules. Notwithstanding the forgoing, at any time other than during the Relevant Period, a notice of Board meeting may be waived by all the Directors at, before or retrospectively after the relevant Board meeting is held. Any notice or waiver thereof may be given by email, telex or telefax.
89. A Director may participate in a meeting of Board, or of any committee appointed by the Board of which such Director is a member, by means of visual communication facilities which permit all Persons participating in the meeting to see and communicate with each other simultaneously and instantaneously, and such participation shall be deemed to constitute presence in person at the meeting.
90. A Director may appoint another Director as his proxy to attend a meeting of the Board in writing with regard to a particular meeting, and state therein the scope of authority with reference to the subjects to be discussed at such meeting, in which event the presence and vote of the proxy shall be deemed to be that of the Director appointer. No Director may act as proxy for two (2) or more other Directors. Subject to these Articles, if a Director attends a Board meeting on his behalf and as the proxy of another Director, he is entitled to vote both as a proxy and for his own.
91. A Director who is in any way, whether directly or indirectly, interested in a matter discussed, considered or proposed in a meeting of the Board shall declare the nature of his interest and its essential contents at such relevant meeting. When the Company conducts any Spin-Off, Consolidation, Merger, or acquisition, a Director who bears any interest in the transaction shall explain the essential contents of such personal interest and the reason of approval or disapproval of the resolution in connection with the transaction in a meeting of the Board and the general meeting of the Company. The Company shall specify in the notice of general meeting with descriptions of the essential contents of a Director's personal interest and the reason of approval or disapproval of the resolution in connection with the transaction. The essential contents may be posted on the website designated by the R.O.C. competent authorities or the Company, and such website shall be indicated in the above notice. Where

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

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

## **RESERVES AND CAPITALISATION**

95. During the Relevant Period, the Company shall set aside out of the profits of the Company for each financial year: (a) a reserve for payment of tax for the relevant financial year; and (b) an amount to offset losses incurred in previous year(s); and (c) a Statutory Reserve in accordance with the Applicable Listing Rules, and after the aforesaid sums as set aside from the profits for such relevant financial year for any purpose to which the profits of the Company may be properly applied, the Board shall, before recommending any dividend or bonuses, set aside the remaining profits of the Company in whole or in part for the relevant financial year as a special reserve or reserves in accordance with the order from the Commission, and the Company may also, under these Articles or by Special Resolution of the general meeting, set aside another sum as a special reserve or reserves (collectively, the "**Special Reserve**").
96. Unless otherwise provided in the Law, the Applicable Listing Rules and these Articles, neither the Statutory Reserve nor the Capital Reserve shall be used except for offsetting the losses of the Company. The Company shall not use the Capital Reserve to offset its capital losses unless the Statutory Reserve and Special Reserve set aside for purposes of loss offset is insufficient to offset such losses.

97. (1) During the Relevant Period, subject to the Law, where the Company incurs no loss, it may, by a Special Resolution, distribute its Statutory Reserve, the Share Premium Account and/or the income from endowments received by the Company, which are in the Capital Reserve which are available for distribution, in whole or in part, by issuing new, fully paid Shares and/or by cash to its Members.
- (2) At any time other than during the Relevant Period, subject to the Law, the Board may distribute cash dividends/bonuses out of or capitalise any sum for the time being standing to the credit of the Share Premium Account or any of the other Company's reserve accounts which are available for distribution or any sum standing to the credit of the profit and loss account or otherwise available for distribution and to appropriate such sums to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend//bonus and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid.
98. Where any difficulty arises in regard to any declaration of share dividends or share bonuses or other similar distributions under these Articles due to any fraction held by Member(s), the Board may determine that cash payments should be made to any Members in full, or part thereof, as may seem expedient to the Board. Such decision of the Board shall be effective and binding upon the Members.

### **COMPENSATION, DIVIDENDS AND BONUSES**

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

upon the approval of a majority of the Directors present at a meeting attended by at least two-thirds or more of the total number of the Directors, the Company may distribute not less than one percent (1%) and not more than three percent (3%) of the profits for such year to the Employees as the Employees' compensation in the form of shares and/or in cash and may distribute not more than two percent (2%) hereof to the Directors as the Directors' compensation, provided, however, that the total amount of accumulated losses of the Company (including adjusted undistributed profits) shall be reserved from the said profits in advance, and the Company shall distribute the remaining balance thereof to the Employees and Directors in the proportion set out above. A report of such distribution of Employee and Directors' compensation shall be submitted to the general meeting of the Company. Except otherwise set forth by the Applicable Listing Rules, any Directors' compensation shall not be paid in the form of shares. The term "annual profits" as used herein shall mean the annual profits for such year before tax without deducting the amount of compensation distributed to the Employees and Directors as prescribed in this Paragraph (2) of this Article.

- (3) During the Relevant Period, subject to the Law, the Applicable Listing Rules and these Articles and except as otherwise provided by the rights attaching to any Shares, where the Company still has annual net profit for the year, after paying all relevant taxes, offsetting losses (including losses of previous years and adjusted undistributed profits, if any), setting aside the Statutory Reserve of the remaining profits in accordance with the Applicable Listing Rules (provided that the setting aside of the Statutory Reserve does not apply if the aggregate amount of the Statutory Reserve amounts to the Company's total paid-in capital), and setting aside the Special Reserve (if any), the Company may distribute not less than thirty percent (30%) of the remaining balance (including the amounts reversed from the Special Reserve), plus accumulated undistributed profits of previous years (including adjusted undistributed profits) in part or in whole as determined by an Ordinary Resolution passed at an annual general meeting of the Company duly convened and held in accordance with these Articles to the Members as dividends/bonuses in proportion to the number of Shares held by them respectively pursuant to these Articles, provided that, cash dividends/bonuses shall not be less than ten percent (10%) of the total amount of dividends/bonuses to Members.
- (4) The Board may deduct from the dividends, bonuses or any other amount payable to the Member in respect of the Share any amount (if any) due by such Member to the Company on account of calls or otherwise in relation to the Share.
- (5) Any dividend, bonus or other monies payable on or in respect of the Share may be paid by wire transfer to the bank account nominated by the Member or by cheque or warrant sent through a post to the registered address of the Member, or to such Person and to such address as the holder may nominate in writing. In the case of joint Members, any of them may give a valid receipt for the dividend, bonus or other monies payable on or in respect of the Share.
- (6) Subject to the Law and the Applicable Listing Rules, any Special Reserve may be

reversed to undistributed profits of the Company.

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

### **ACCOUNTS, AUDIT, AND ANNUAL RETURN AND DECLARATION**

103. (1) The Directors shall cause to be kept accounting records and books of account sufficient to give a true and fair view of the state of the Company's affairs and to show and explain the transactions of the Company and otherwise in accordance with the Law, at the Registered Office or at such other place(s) in such manner as may be determined from time to time by the Board and shall always be open to the inspection by the Directors.
  - (2) If the Company keeps its accounting records and books of account at any place outside the Cayman Islands in accordance with the preceding paragraph, it shall, upon service of an order or notice pursuant to the Tax Information Authority Act and any amendment or other statutory modification thereof, make available, in electronic form or any other medium at its Registered Office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.
104. During the Relevant Period, at the end of each financial year, the Board shall prepare: (a) the business report; (b) the financial statements which include all the documents and information as required by the Law and the Applicable Listing Rules (the "**Financial Statements**"); and (c) any proposal relating to the distribution of net profit and/or loss offsetting in accordance with these Articles, for adoption by the annual general meeting of the Company. Upon adoption at the annual general meeting of the Company, the Board shall distribute to each Member copies of the Financial Statements and the resolutions relating to profit distribution and/or loss offsetting. However, during the Relevant Period, the Company may make a public announcement of the abovementioned statements and resolutions instead of distributing those to each Member.
105. During the Relevant Period, the documents prepared by the Board in accordance with the preceding article shall be made available at the Shareholder Service Agent's office in the R.O.C. for inspection during normal business hours by the Members, ten (10) days prior to the annual general meeting.
106. Subject to the Law and the Applicable Listing Rules, the Board may determine (or revoke, alter or amend any such determination) that the accounts of the Company be audited and

the appointment of the Auditors.

107. During the Relevant Period, the Board shall keep copies of the Memorandum, these Articles, the minutes of every general meeting, the Financial Statements, the Register and the counterfoil of corporate bonds issued by the Company at its Shareholder Service Agent's office in the R.O.C. Any Member may request at any time, by submitting evidentiary document(s) to show his interests involved and indicating the scope of requested matters, access to inspecting, transcribing and making copies of the above documents; the Company shall make Shareholder Service Agent provide the above documents.
108. The Board in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

### **TENDER OFFER**

109. Subject to the Law and the Applicable Listing Rules, during the Relevant Period, within fifteen (15) days after receipt of the copy of the public tender offer report form, the public tender offer prospectus, and relevant documents, the Company shall make a public announcement of the following:
  - (a) the types, number and amount of shares held by the Directors and any Member holding more than ten percent (10%) of the total issued and outstanding Shares;
  - (b) the recommendations made by the Board to the Members on such tender offer, which shall set forth the identity and financial status of the tender offeror, fairness of the tender offer conditions, verification on rationality of source of fund for tender offer, and the names of the Directors who abstain or object to the tender offer and the reason(s) therefor;
  - (c) whether there is any material change in the financial condition of the Company after the delivery of its most recent financial report and the contents of such change, if any;
  - (d) the types, number and amount of the shares of the tender offeror or its affiliates held by the Directors and the Members holding more than ten percent (10%) of the total issued and outstanding Shares; and
  - (e) other relevant significant information.

### **WINDING UP**

110. Subject to the Law, the Company may be wound up by a Special Resolution passed by the Members. If the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the number of the Shares held by them. If in a winding up the assets available for distribution amongst the Members

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

111. Subject to the Law, if the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Law, divide and distribute amongst the Members the whole or any part of the property of the Company (whether they shall consist of property of the same kind or not) in cash or asset and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different Classes. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any asset whereon there is any liability.
112. The Company shall keep all statements, records of account and documents for a period of ten (10) years from the date of the completion of liquidation, and the custodian thereof shall be appointed by the liquidator or the Company by an Ordinary Resolution.

#### **NOTICES**

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

- (c) courier service, shall be deemed to have been served forty-eight (48) hours after the time when the letter containing the same is delivered to the courier service; or
  - (d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail, subject to the Law.
116. Any notice or document served to the registered address of any Member in accordance with these Articles shall notwithstanding that such Member be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Member as sole or joint Member.

### **REGISTERED OFFICE OF THE COMPANY**

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

### **FINANCIAL YEAR**

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

### **SEAL**

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

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

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

### **CHANGES TO CONSTITUTION**

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

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## Appendices 2

### **BORETECH Resource Recovery Engineering Co., Ltd. Procedures for Acquisition or Disposal of Assets**

#### **Chapter I: General Principles**

Article 1 Except as otherwise provided by laws and regulations, the acquisition or disposal of assets by the Company and its subsidiaries shall be conducted in accordance with these Procedures.

Article 2 Scope of Assets

1. Securities: Including investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. The Company shall not purchase the shares of a controlling company that directly or indirectly holds 50% or more of the Company's total outstanding voting shares.
2. Real Estate (including land, houses and buildings, investment property) and Equipment. (Note: For companies engaged in the construction business, real estate shall also include inventory).
3. Memberships.
4. Intangible Assets: Including patents, copyrights, trademarks, franchises, and other intangible assets.
5. Right-of-use Assets.
6. Derivatives.
7. Assets acquired or disposed of through mergers, demergers, acquisitions, or transfer of shares in accordance with the law.
8. Claims of Financial Institutions (including receivables, buy-exchange discounts and loans, and overdue receivables).
9. Other Major Assets.

Article 3 Definitions

1. Derivatives: Refers to forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts whose value is derived from a specific interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variables; or hybrid contracts combining the above, or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, or long-term purchase (sales) agreements.
2. Assets acquired or disposed of through mergers, demergers, acquisitions, or transfer of shares in accordance with the law: Refers to assets acquired or disposed of through

- mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act, or other laws, or the issuance of new shares in exchange for shares of another company (hereinafter referred to as "transfer of shares") under Article 156-3 of the Company Act.
3. Related Party: Shall be identified in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
  4. Subsidiary: Shall be identified in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
  5. Professional Appraiser: Refers to a real estate appraiser or other person who may engage in the appraisal of real estate or equipment in accordance with the law.
  6. Date of Occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, date of Board of Directors resolution, or other date that can confirm the counterpart and monetary amount of the transaction, whichever is earlier. For an investment that requires approval of the competent authority, the date of occurrence shall be either the aforementioned date or the date of receipt of approval from the competent authority, whichever is earlier.
  7. Mainland China Investment: Refers to investments in Mainland China conducted in accordance with the Regulations Governing Permission for Investment or Technical Cooperation in Mainland China prescribed by the Investment Commission of the Ministry of Economic Affairs.
  8. Most Recent Financial Statements: Refers to the financial statements audited or reviewed by a CPA and publicly disclosed in accordance with the law prior to the acquisition or disposal of assets by the Company.
  9. The 10 percent of total assets prescribed in these Procedures shall be calculated based on the total asset amount in the Company's most recent parent-only (individual) financial report.

Article 4 Where the Company obtains an appraisal report or an opinion from a CPA, attorney, or securities underwriter, the professional appraiser and its appraisal officers, CPA, attorney, or securities underwriter shall comply with the following requirements:

1. Shall not have been sentenced to imprisonment for one year or more for violation of the Securities and Exchange Act, Company Act, Banking Act, Insurance Act, Financial Holding Company Act, or Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or business-related crimes. However, this shall not apply if three years have passed since the completion of the sentence, expiration of probation, or pardon.
2. Shall not be a related party or a de facto related party to any party to the transaction.

3. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers shall not be related parties or de facto related parties to each other.

When issuing an appraisal report or opinion, the aforementioned personnel shall act in accordance with the self-regulatory rules of their respective trade associations and the following matters:

- 1) Prior to accepting an engagement, they shall prudently evaluate their professional capabilities, practical experience, and independence.
- 2) When executing an engagement, they shall properly plan and implement appropriate operational procedures to form a conclusion and issue the report or opinion accordingly; the procedures executed, data collected, and conclusions shall be documented in detail in the working papers of the case.
- 3) They shall evaluate the appropriateness and reasonableness of the data sources, parameters, and information used item by item, as the basis for issuing the appraisal report or opinion.
- 4) The declaration shall include the professionalism and independence of the personnel, that the information used has been evaluated as appropriate and reasonable, and that relevant laws and regulations have been followed.

## **Chapter II: Acquisition Procedures**

### **Section 1: Acquisition or Disposal of Assets**

#### **Article 5 Procedures for Acquisition or Disposal of Securities**

1. Evaluation and Operational Procedures: The acquisition or disposal of securities by the Company shall be handled in accordance with the "Investment Cycle" of the Internal Control System.
2. Evaluation of Transaction Price Reasonableness and Obtaining Expert Opinions:
  - 1) The executive unit shall analyze relevant benefits and evaluate possible risks for the acquisition or disposal of securities investments.
  - 2) Prior to the date of occurrence, the Company shall obtain the target company's most recent financial statements audited or reviewed by a CPA as a reference for evaluating the transaction price. Furthermore, if the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall engage a CPA prior to the date of occurrence to provide an opinion on the reasonableness of the transaction price. However, this requirement shall not apply if the securities have an active market quote or if otherwise stipulated by the Financial Supervisory Commission (hereinafter "FSC").

## Article 6 Procedures for Acquisition or Disposal of Real Estate, Equipment, or Right-of-use Assets

1. Evaluation and Operational Procedures: When the Company intends to invest in real estate, the responsible unit shall conduct an investment benefit analysis regarding the geographic environment, natural and cultural environment, legal restrictions, expected development, and estimated value of the target, and accordingly weigh the Company's financial position to draft a funding source and investment method. An investment evaluation recommendation report shall then be submitted for approval.
2. Approval Procedures: The acquisition or disposal of real estate and equipment shall be approved by the Chairman. If the transaction amount reaches the public announcement and reporting standards in Article 29, it shall first be approved by a resolution of the Board of Directors.
3. Appraisal Procedures and Reports for Real Estate or Equipment Transactions:
  - 1) In addition to consulting professional appraisals and CPA opinions, the transaction price shall be negotiated with reference to the publicly announced current value, appraised value, actual transaction prices of neighboring real estate, book value, or supplier quotes. If real estate is purchased from a related party, the reasonableness of the price shall be evaluated in accordance with the methods set forth in Chapter II of these Procedures.
  - 2) Appraisal Procedures

Except for transactions with government agencies, construction on own land, construction on leased land, or the acquisition or disposal of equipment for business use, where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report from a professional appraiser prior to the date of occurrence and shall comply with the following requirements:

    - A. Where it is necessary to use a limited price, specified price, or special price as a reference for the transaction price due to special reasons, the transaction shall first be approved by a resolution of the Board of Directors; the same procedure shall apply to any subsequent changes in the transaction terms.
    - B. Where the transaction amount reaches NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
    - C. Where any of the following circumstances applies to the professional appraiser's appraisal results, a CPA shall be engaged to provide a specific opinion on the reason for the discrepancy and the appropriateness of the transaction price, unless the appraisal results for the acquired assets are all higher than the transaction amount, or the appraisal results for the disposed assets are all lower

than the transaction amount:

- (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
- (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

D. No more than three months may elapse between the date of the appraisal report issued by the professional appraiser and the date of the contract. However, where the publicly announced current value for the same period is used and no more than six months have elapsed, an opinion letter from the original professional appraiser may be obtained instead.

Article 7 Procedures for Acquisition or Disposal of Memberships, Intangible Assets, or Right-of-use Assets thereof

1. Evaluation and Operational Procedures: For the acquisition or disposal of memberships, intangible assets, or right-of-use assets thereof, the demanding unit shall conduct a feasibility evaluation report and submit it to the Chairman for approval.
2. Transaction Price and Evaluation Report:
  - 1) The acquisition or disposal of memberships, intangible assets, or right-of-use assets shall be negotiated with reference to the most recent transaction prices, considering the expected benefits. The acquisition or disposal of intangible assets such as patents, copyrights, trademarks, or franchises shall be negotiated with reference to international or market practices, expected useful life, and the impact on the Company's technology and business.
  - 2) For transactions involving the acquisition or disposal of memberships, intangible assets, or right-of-use assets reaching 20 percent of the Company's paid-in capital or NT\$300 million or more, except for transactions with government agencies, the Company shall engage a CPA prior to the date of occurrence to provide an opinion on the reasonableness of the transaction price.

Article 8 The calculation of transaction amounts in the preceding three articles shall be handled in accordance with Sub-paragraph 2 of Article 29. The term "within one year" refers to the year preceding the date of occurrence of the current transaction. Parts for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained in accordance with these Procedures need not be counted toward the transaction amount.

Article 9 Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documents issued by the court may substitute for the appraisal report or CPA opinion.

Article 10 Total Amount of Non-business Real Estate and Securities, Limits for Individual Securities,

### Scope, Limits, and Executing Unit

1. The Company shall not purchase real estate or right-of-use assets for non-business use.
2. Investment in non-current financial assets: The total amount shall not exceed 50 percent of the net value in the most recent financial report; the limit for individual securities shall not exceed 20 percent of the net value in the most recent financial report.
3. Investment in current financial assets: The total amount shall not exceed 50 percent of the net value in the most recent financial report; the limit for individual securities shall not exceed 20 percent of the net value in the most recent financial report.
4. Acquisitions or disposals of assets shall be executed by the relevant units in accordance with the Company's internal control system regarding the investment cycle and relevant management systems.

### Article 11 Management of Asset Acquisition by Subsidiaries

1. Subsidiaries shall not purchase real estate or right-of-use assets for non-business use. The purchase of real estate for business use, as well as its disposal, shall be submitted to the subsidiary's Board of Directors for approval.
2. Investment in non-current financial assets: The total amount shall not exceed 50 percent of the net value in its most recent financial report; the limit for individual securities shall not exceed 20 percent of the net value in its most recent financial report.
3. Investment in current financial assets: The total amount shall be limited to the net value in its most recent financial report; the limit for individual securities shall be limited to 50 percent of the net value in its most recent financial report.
4. Each subsidiary shall establish its own "Procedures for Acquisition or Disposal of Assets" in accordance with these Procedures, which shall be implemented after approval by its Board of Directors. The same shall apply to any amendments.

### **Section 2: Acquisition or Disposal of Assets from Related Parties**

Article 12 When the Company engages in the acquisition or disposal of assets with a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is evaluated in accordance with the provisions of Articles 5 through 9 and this Section, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or an opinion from a CPA. The calculation of the transaction amount in the preceding paragraph shall be handled in accordance with Article 8. When judging whether a transaction counterparty is a related party, in addition to legal forms, substance of the relationship shall also be considered.

## Article 13 Resolution Procedures

When the Company intends to acquire or dispose of real estate or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real estate or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent of the Company's paid-in capital, 10 percent of the Company's total assets, or NT\$300 million or more, except for the purchase or sale of domestic government bonds, bonds under repurchase or resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the executive unit shall submit the following information to the Audit Committee. Upon approval by a majority of all members of the Audit Committee, the proposal shall be submitted to the Board of Directors for a resolution. If the approval of a majority of all members of the Audit Committee is not obtained, the proposal may be approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting before any transaction contract may be signed or payments made:

1. The purpose, necessity, and anticipated benefits of the acquisition or disposal of assets.
2. The reason for selecting the related party as the transaction counterparty.
3. For the acquisition of real estate or right-of-use assets thereof from a related party, relevant data evaluating the reasonableness of the proposed transaction terms in accordance with the provisions of Article 14 or Article 15.
4. Matters such as the date and price at which the related party originally acquired the assets, the transaction counterparty, and that counterparty's relationship with the Company and the related party.
5. Monthly cash flow forecasts for the coming year commencing from the anticipated month of signing the contract, and an evaluation of the necessity of the transaction and the reasonableness of the utilization of funds.
6. An appraisal report from a professional appraiser or an opinion from a CPA.
7. Restrictive conditions and other important covenants of this transaction.

With respect to the acquisition or disposal of equipment or right-of-use assets thereof, or real estate right-of-use assets for business use between the Company and its parent company or subsidiaries, or between subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or total capital, the Board of Directors may authorize the Chairman to decide such matters within a certain amount and subsequently report to the most recent Board of Directors meeting for ratification.

When a matter is submitted for discussion by the Board of Directors in accordance with Paragraph 1, the opinions of each independent director shall be fully considered. If an

independent director has an objection or a qualified opinion, it shall be recorded in the minutes of the Board of Directors meeting.

If the Company or its subsidiary that is not a domestic public company has a transaction as described in Paragraph 1 and the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall submit the information listed in Paragraph 1 to the shareholders' meeting for approval before signing the transaction contract or making payments. However, this shall not apply to transactions between the Company and its parent company or subsidiaries, or between its subsidiaries.

The calculation of the related party transaction amount shall be handled in accordance with Sub-paragraph 2 of Article 29. The term "within one year" refers to the year preceding the date of occurrence of the current transaction. Items already approved by the shareholders' meeting, the Board of Directors, or recognized by the Audit Committee in accordance with these Procedures need not be counted.

#### Article 14 Evaluation of the Reasonableness of Transaction Terms

When the Company acquires real estate or right-of-use assets thereof from a related party, it shall evaluate the reasonableness of the transaction costs by the following methods:

1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing by the Company in the year the asset was purchased; however, it may not exceed the maximum non-financial industry lending rate announced by the Ministry of Finance.
2. Where the related party has previously used the target object as collateral for a loan from a financial institution, the total value assessed by the financial institution for the loan on that object; however, the actual cumulative amount loaned by the financial institution shall reach 70 percent or more of the financial institution's appraised loan value, and the loan period shall have exceeded one year. This shall not apply, however, where the financial institution is a related party to one of the transaction parties.

Where land and structures on the same property are combined in a purchase, the Company may evaluate the transaction costs for the land and structures separately by either of the methods listed in the preceding paragraph.

When the Company acquires real estate or right-of-use assets thereof from a related party and evaluates the cost of the real estate or right-of-use assets in accordance with the preceding two paragraphs, it shall also engage a CPA to review the evaluation and provide a specific opinion.

Where the Company acquires real estate or right-of-use assets thereof from a related party, it shall act in accordance with the provisions of the preceding Article and the first three

paragraphs of this Article shall not apply, if any of the following circumstances exists:

1. The related party acquired the real estate or right-of-use assets thereof through inheritance or as a gift.
2. More than five years have elapsed from the time the related party signed the contract to acquire the real estate or right-of-use assets thereof to the signing date of the current transaction.
3. The real estate is acquired through signing a joint development contract with a related party, or through engaging a related party to build real estate on the Company's own land or leased land.
4. The real estate right-of-use assets for business use are acquired between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or total capital.

#### Article 15 Procedures for Imputed Transaction Costs Lower than Transaction Price

When the results of the Company's evaluation conducted in accordance with the preceding Article are uniformly lower than the transaction price, the Company shall act in accordance with Paragraph 4 of this Article, unless the following circumstances exist and objective evidence is provided and specific opinions on reasonableness are obtained from a professional real estate appraiser and a CPA:

1. Where the related party acquired undeveloped land or leased land for development, the Company may submit proof of compliance with one of the following conditions:
  - 1) Where the undeveloped land is evaluated in accordance with the methods in the preceding Article, and the structures are appraised at the related party's construction cost plus reasonable construction profit, and the sum total exceeds the actual transaction price. "Reasonable construction profit" shall be the lower of the average gross operating profit margin of the related party's construction department over the last three fiscal years or the gross profit margin for the construction industry announced by the Ministry of Finance for the most recent period.
  - 2) Completed transactions by unrelated parties within the preceding year of other floors of the same property or neighboring areas, where the land area is similar and the transaction terms are equivalent after evaluating reasonable price discrepancies in floors or areas in accordance with standard real estate market practices.
2. Where the Company provides evidence that the terms of the real estate purchased or real estate right-of-use assets leased from a related party are equivalent to the terms of completed transactions by unrelated parties for neighboring areas of a similar size

within the preceding year.

(Paragraph 3 omitted for brevity: Definition of "neighboring area" and "similar size" is included in the full text.)

4. Where the Company acquires real estate or right-of-use assets thereof from a related party and the results of evaluations are uniformly lower than the transaction price, the following shall be handled:
  - 1) A special reserve shall be set aside in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act against the difference between the transaction price and the evaluated cost, and may not be distributed or used for capitalization. If the Company uses the equity method to account for an investment in a public company, it shall also set aside a special reserve in proportion to its shareholding. The special reserve may be utilized only after the assets purchased or leased at a high price have recognized impairment loss or have been disposed of or the lease has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming there was no unreasonableness, and approval has been obtained from the FSC.
  - 2) Where an Audit Committee has been established, it shall conduct supervision in accordance with relevant regulations.
  - 3) The handling of this matter shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and the prospectus.
5. Where the Company acquires real estate or right-of-use assets thereof from a related party, if there is other evidence indicating that the transaction is not in accordance with business practices, it shall also be handled in accordance with the preceding four sub-paragraphs of this paragraph.

### **Section 3: Engaging in Derivatives Trading**

#### **Article 16 Principles and Policies for Trading**

1. Types of Trading

Derivatives trading shall be aimed at securing the Company's operating profits and hedging risks arising from fluctuations in foreign exchange rates, interest rates, or asset prices, rather than for speculative profit.
2. Operating or Hedging Strategies
  - 1) Set the total amount for individual contracts and all contracts for hedging transactions.

- 2) Regularly evaluate the hedging effectiveness of derivatives.
  - 3) Strictly assess the credit status and professional competence of transaction counterparties.
  - 4) All transactions and related operations shall be conducted in accordance with relevant laws and the Company's regulations.
3. Division of Powers and Responsibilities
- 1) The responsibilities of each department are as follows:
    - A. Trading Personnel: Personnel executing derivatives transactions for the Company, designated by the Chairman. Responsible for drafting trading strategies within the scope of authorization, executing transaction orders, disclosing future transaction risks, and providing real-time information to relevant departments for reference.
    - B. Accounting Department: Responsible for confirming transactions, recording entries in accordance with regulations, maintaining transaction records, regularly performing fair market value evaluations of held positions and providing them to trading personnel, and disclosing matters related to derivatives in the financial reports.
    - C. Finance Department: Responsible for the settlement of derivatives transactions.
    - D. Audit Department: Responsible for auditing the transaction process and operations.
  - 2) Personnel for trading execution, confirmation, and settlement shall not concurrently hold each other's positions. Personnel in charge of risk measurement, monitoring, and control shall belong to different departments from the aforementioned personnel and shall report to the Board of Directors or to senior management who are not responsible for trading or position decision-making.
4. Performance Evaluation : Based on the types of transaction instruments, the Finance Department shall use the realized net profit/loss position after the close of each contract's maturity date as the basis for performance evaluation, compare the profit/loss performance against the set trading objectives, conduct regular reviews, and submit reports to the Chairman for review.
5. Loss Limits :
- 1) Foreign exchange hedging and structured financial product transactions: The maximum loss limit for all contracts is 10% of the total contract amount; the maximum loss limit for individual contracts is 20% of the individual contract

amount.

- 2) Financial product hedging transactions: The maximum loss limit for all contracts is 15% of the total contract amount; the maximum loss limit for individual contracts is 30% of the individual contract amount.

6. Authorization and Limits

Engaging in derivatives trading shall be approved by the Chairman and subsequently submitted to the most recent Board of Directors meeting for ratification. The total amount of transactions to achieve hedging purposes shall not exceed the equivalent of US\$10 million or its equivalent in other currencies.

Article 17 Risk Management Measures and Internal Audit System

1. Risk Management Scope: Shall include credit, market price, liquidity, cash flow, operational, and legal risk management.
  - 1) Credit Risk: Counterparties shall be domestic or foreign financial institutions with good credit.
  - 2) Market Price Risk: Various limits such as risk limits, position limits, and stop-loss points for overall or individual items shall be prudently set and controlled according to hedging strategies.
  - 3) Cash Flow and Liquidity Risk: Attention must be paid to cash flow status and transaction amounts controlled; liquidity risk related to the market or products must be evaluated based on the overall liquidity of derivatives.
  - 4) Operational Risk: Proper internal controls and written records shall be maintained for transaction records, confirmation, and settlement processes, and the effectiveness of controls shall be frequently audited and evaluated.
  - 5) Legal Risk: For legal matters involving derivatives transaction procedures and contract contents, the legal unit or legal counsel shall be consulted to develop management policies.
2. Positions held in derivatives transactions shall be evaluated at least once a week; however, hedging transactions required for business shall be evaluated at least twice a month. Evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.
3. The Audit Department shall regularly understand the adequacy of internal controls for derivatives transactions and audit the compliance of the trading department with these Procedures on a monthly basis. An audit report shall be prepared, and if significant violations are discovered, the Audit Committee shall be notified in writing.
4. Where derivatives transactions involve legal matters, the Company shall consult legal personnel or external legal counsel.

Article 18 Periodic Evaluation Methods and Handling of Irregularities

1. The Finance Department shall evaluate the positions held for hedging purposes based on the volume of transactions and market fluctuations at least **twice a month**. The evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.
2. The Board of Directors shall authorize senior management personnel to periodically supervise and evaluate whether the current risk management measures are appropriate, whether the derivatives trading operations are conducted in accordance with regulations, and whether the performance of derivatives trading is consistent with the established operating strategy and if the risks undertaken are within the Company's tolerance level. If any irregularities are discovered, necessary measures shall be taken, and a report shall be made to the Board of Directors immediately.

Article 19 Supervision and Management

The Board of Directors shall supervise and manage derivatives trading according to the following principles:

1. Designate senior management personnel to consistently monitor and control derivatives trading risks.
2. Periodically evaluate whether trading performance is consistent with the established operating strategy and whether the risks undertaken are within the Company's tolerance level.

Senior management personnel authorized by the Board of Directors shall manage derivatives trading according to the following principles:

1. Periodically evaluate whether the current risk management measures are appropriate and ensure compliance with these Procedures and the Company's internal procedures for derivatives trading.
2. Monitor trading and profit/loss status. If any irregularities are discovered, necessary measures shall be taken and reported to the Board of Directors immediately. Independent directors shall attend the meeting and express their opinions. After completing a transaction, the personnel authorized to engage in derivatives shall report the details of each transaction and relevant profit/loss to the most recent Board of Directors meeting.

Article 20 The Company shall establish a logbook for derivatives trading. The Finance Department shall record in detail the types, amounts, dates of Board approval, and matters required to be prudently evaluated under Paragraph 2 of Article 17 and Article 18.

**Section 4: Merger, Demerger, Acquisition, or Transfer of Shares**

Article 21 The Company shall consider the nature of the business, net value per share, asset value, technology and profitability, production capacity, and future growth potential when conducting a merger, demerger, acquisition, or transfer of shares.

Article 22 Prior to the resolution by the Board of Directors, the Company shall engage a CPA, attorney, or securities underwriter to provide an opinion on the reasonableness of the share exchange ratio, acquisition price, or cash or other property distribution to shareholders. If an Audit Committee has been established, the proposal shall be submitted to the Audit Committee for approval and then submitted to the Board of Directors for discussion. However, for mergers between the Company and its subsidiaries in which the Company directly or indirectly holds 100% of the issued shares, or between such subsidiaries, the requirement for an expert fairness opinion may be exempted after the Company goes public.

Article 23 A merger, demerger, or acquisition shall be approved by a resolution of the shareholders' meeting. Prior to the meeting, the Company shall prepare a public document for shareholders detailing important contractual content and relevant matters, and deliver it to shareholders along with the expert opinions referred to in the preceding Article and the meeting notice. This does not apply if a shareholders' meeting is not required by other laws. If the shareholders' meeting of any party fails to convene or pass a resolution due to a lack of quorum or other legal restrictions, the Company shall immediately issue a public announcement explaining the reasons, subsequent measures, and the anticipated date of the next meeting.

Article 24 Unless otherwise provided by law or pre-approved by the FSC for special factors, the Company and other participating companies shall convene Board of Directors and shareholders' meetings on the same day to resolve the merger, demerger, or acquisition. For a transfer of shares, the Board of Directors meeting shall be held on the same day unless otherwise approved.

Article 25 Publicly listed companies participating in a merger, demerger, acquisition, or transfer of shares shall maintain complete written records of the following for five years:

1. Personnel basic data: Titles, names, and ID numbers (or passport numbers for foreigners) of all persons participating in the plan or its execution prior to public disclosure.
2. Dates of important events: Including the signing of letters of intent or MOUs, engagement of advisors, signing of contracts, and Board of Directors meetings.
3. Important documents and minutes: Including the plan itself, MOUs, important contracts, and Board minutes.

The data in items 1 and 2 shall be reported via the internet information system within two days of the Board resolution. For non-publicly listed participants, the Company shall sign

an agreement with them to comply with these requirements.

Article 26 Share Exchange Ratio and Acquisition Price

The share exchange ratio or acquisition price may not be arbitrarily changed unless the following circumstances are specified in the contract:

1. Capital increase, issuance of convertible bonds, bonus shares, warrants, or other equity-type securities.
2. Disposal of major assets that affect the Company's finance or business.
3. Major disasters or technical changes that affect shareholders' equity or security prices.
4. Adjustments due to treasury stock buybacks by any participating party.
5. Changes in the number of participating entities.
6. Other conditions for change specified in the contract and publicly disclosed.

Article 27 Matters Required in the Contract

The contract shall specify the rights and obligations of participating companies, the conditions for changing the exchange ratio or price, and the following:

1. Handling of breach of contract.
2. Principles for handling equity-type securities or treasury stocks previously issued/bought back by companies that are dissolved or demerged.
3. The quantity and handling principles of treasury stocks that participants may buy back after the base date for calculating the exchange ratio.
4. Handling of changes in the number of participating entities.
5. Anticipated execution progress and completion date.
6. Procedures and anticipated date of the shareholders' meeting if the plan is not completed on time.

Article 28 Other Matters for Attention

1. All persons privy to the plan shall issue a written confidentiality undertaking and shall not disclose the plan or trade related securities prior to public announcement.
2. If any party intends to merge with another company after public disclosure, all procedures must be restarted, unless the number of participants decreases and the shareholders' meeting has authorized the Board to make such changes.
3. For non-publicly listed participants, the Company shall sign an agreement with them ensuring compliance with confidentiality and reporting requirements.

### **Chapter 3: Information Disclosure**

Article 29 Public Announcement and Reporting Procedures

1. After the Company goes public, for any acquisition or disposal of assets under the following circumstances, the unit executing the transaction shall, according to the

nature of the transaction and in the specified format and content, announce and report the relevant information on the website designated by the SFC within two days commencing from the date of occurrence:

- 1) Acquisition or disposal of real estate or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real estate or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more. This shall not apply to the purchase or sale of domestic government bonds, bonds under repurchase or resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- 2) Merger, demerger, acquisition, or transfer of shares.
- 3) Losses from derivatives trading reaching the maximum loss limit for all contracts or individual contracts specified in the "Procedures for Engaging in Derivatives Trading."
- 4) Acquisition or disposal of equipment or right-of-use assets thereof for business use, where the transaction counterparty is not a related party, and the transaction amount reaches any of the following:
  - A. For a public company with paid-in capital of less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
  - B. For a public company with paid-in capital of NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
- 5) Acquisition of real estate through construction on own land, construction on leased land, joint development and division of buildings, joint development and percentage sharing, or joint development and separate sale, where the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million or more.
- 6) Asset transactions other than those referred to in the preceding five subparagraphs, disposal of receivables by a financial institution, or investment in the Mainland China area, where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more. This shall not apply to the following circumstances:
  - A. Purchase or sale of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign rating of Taiwan.
  - B. Trading of securities on a stock exchange or at a securities company's business premises by a professional investor..

- C. Purchase or sale of bonds under repurchase or resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
2. The transaction amount in the preceding paragraph shall be calculated in the following manner:
  - 1) The amount of each individual transaction.
  - 2) The cumulative transaction amount of acquisitions or disposals of the same type of underlying asset with the same counterparty within one year.
  - 3) The cumulative amount of acquisitions or disposals (calculated separately for acquisitions and disposals) of real estate or right-of-use assets thereof under the same development project within one year.
  - 4) The cumulative amount of acquisitions or disposals (calculated separately for acquisitions and disposals) of the same security within one year.

“Within one year” as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items already announced in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" need not be counted.
3. The Company shall, by the 10th day of each month, enter the information regarding derivatives trading of the Company and its subsidiaries that are not domestic public companies as of the end of the previous month into the information reporting website designated by the FSC.
4. If any item required to be announced contains an error or omission and needs to be corrected, the entire announcement shall be re-announced within two days commencing from the date of knowledge of such error or omission.
5. For any transaction already announced and reported in accordance with Sub-paragraph 1, the Company shall announce and report relevant information on the website designated by the FSC within two days commencing from the date of occurrence of any of the following:
  - 1) Any amendment, termination, or rescission of a contract signed in regard to the original transaction.
  - 2) The merger, demerger, acquisition, or transfer of shares is not completed by the anticipated date set in the contract.
  - 3) Any change to the content of the original announcement and report.

#### **Chapter 4: Other Important Matters**

Article 30 Relevant contracts, minutes, logbooks, appraisal reports, and expert opinions shall be kept

at the Company for at least five years.

Article 31 Where a subsidiary of the Company is not a domestic public company, and its acquisition or disposal of assets reaches the thresholds for public announcement and reporting as prescribed in Article 29 of these Procedures, the subsidiary shall notify the Company on the date of occurrence, and the Company shall perform the public announcement and reporting on the designated website in accordance with regulations.

For the thresholds of public announcement and reporting applicable to a subsidiary in the preceding paragraph, the terms "reaching 20 percent of the Company's paid-in capital" or "10 percent of the Company's total assets" shall be based on the paid-in capital or total assets in the Company's most recent parent-company-only financial report.

For a company whose shares have no par value or a par value other than NT\$10, the threshold of 20 percent of paid-in capital in these Procedures shall be calculated as 10 percent of the equity attributable to owners of the parent.

Article 32 If any manager or personnel in charge of the Company's acquisition or disposal of assets violates these Procedures, the matter shall be handled in accordance with the Company's relevant regulations for performance evaluation and rewards and penalties.

Article 33 If the acquisition or disposal of assets by the Company is required to be approved by the Board of Directors in accordance with these Procedures or other laws, and any director expresses dissent with a record or written statement, the Company shall also send the data regarding the director's dissent to each supervisor.

Where independent directors have been appointed, when a transaction for the acquisition or disposal of assets is submitted for discussion by the Board of Directors in accordance with the preceding paragraph, the opinions of each independent director shall be fully considered. If an independent director has an objection or a qualified opinion, it shall be recorded in the minutes of the Board of Directors meeting.

Where an Audit Committee has been established, major asset or derivatives transactions shall be approved by a majority of all members of the Audit Committee and then submitted to the Board of Directors for a resolution. If the approval of a majority of all members of the Audit Committee is not obtained, the proposal may be approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

Article 34 The Procedures for the Acquisition or Disposal of Assets established by the Company shall be approved by the Board of Directors and subsequently submitted to the shareholders' meeting for approval; the same shall apply to any amendments. If any director expresses dissent with a record or written statement, the Company shall also send the data regarding the director's dissent to each supervisor.

Where independent directors have been appointed, when the Procedures for the Acquisition or Disposal of Assets are submitted for discussion by the Board of Directors in accordance with the preceding paragraph, the opinions of each independent director shall be fully considered. If an independent director has an objection or a qualified opinion, it shall be recorded in the minutes of the Board of Directors meeting.

Where an Audit Committee has been established, the establishment or amendment of the Procedures for the Acquisition or Disposal of Assets shall be approved by a majority of all members of the Audit Committee and then submitted to the Board of Directors for a resolution.

If the approval of a majority of all members of the Audit Committee is not obtained in the preceding paragraph, the proposal may be approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

The "all members of the Audit Committee" referred to in the third paragraph and "all directors" referred to in the preceding paragraph shall be calculated based on the number of members/directors actually in office.

## Appendices 3

### **BORETECH Resource Recovery Engineering Co., Ltd. Rules Governing Procedure for Shareholders' Meetings**

#### **Article 1 (Purpose)**

To establish a strong governance system, sound supervisory functions, and strengthened management mechanisms for the Company's shareholders' meetings, these Rules are hereby established pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

#### **Article 2 (Scope)**

The rules of procedure 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. Matters not covered by these Rules or subsequent changes in laws shall be handled in accordance with the prevailing and effective laws and regulations.

#### **Article 3 (Convening and Meeting Notice)**

Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors. The convening of a shareholders' meeting by video conference shall be expressly provided in the Articles of Incorporation and approved by a resolution of the Board of Directors, except as otherwise provided by the Regulations Governing the Administration of Shareholder Services of Public Companies. Such a resolution by the Board of Directors shall be adopted by a majority vote at a meeting attended by over two-thirds of the directors. Any change to the method of convening a shareholders' meeting shall be resolved by the Board of Directors and shall be made no later than before the mailing of the shareholders' meeting notice. The Company shall prepare electronic files of the meeting notice, proxy forms, and the explanatory materials for all proposals, including proposals for ratification, matters for discussion, and the election or discharge of directors, and upload them to the Market Observation Post System (MOPS) 30 days before an annual general meeting or 15 days before an extraordinary general meeting. The shareholders' meeting agenda handbook and supplemental meeting materials shall be uploaded to the MOPS 21 days before an annual general meeting or 15 days before an extraordinary general meeting. However, if the Company's paid-in capital at the end of the most recent fiscal year reached NT\$10 billion or more, or if the combined shareholding of foreign investors and mainland Chinese investors recorded in the shareholders' register at the most recent annual general meeting reached 30% or more, the electronic files shall be uploaded 30 days before the annual general meeting. The Company shall make the agenda handbook and supplemental meeting materials available for shareholders' review 15 days before the meeting at the Company and its professional share registrar. On the day of the meeting, the handbook and supplemental materials shall be provided to shareholders as follows:

1. For physical meetings: Distributed at the meeting venue.
2. For hybrid meetings (video-aided): Distributed at the venue and uploaded as electronic files to the video conference platform.
3. For virtual-only meetings: Uploaded as electronic files to the video conference platform. The notice and announcement shall specify the reasons for convening the meeting. With the consent of the addressee, the notice may be given in electronic form. The election or discharge of directors, amendments to the Articles of Incorporation, reduction of capital, application for the cessation of public offering, permission for directors to engage in competitive business, capitalization of retained earnings, capitalization of capital reserves,

dissolution, merger, or demerger of the company, or any matter under Article 185, Paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be itemized in the causes for convening with a summary of the essential content and shall not be raised as extraordinary motions. If the reason for convening specifies a full re-election of directors and the date of assumption of office, the date of assumption of office may not be changed by an extraordinary motion or otherwise after the completion of the re-election at the same meeting. A shareholder holding 1% or more of the total number of issued shares may submit a proposal for an annual general meeting in writing. Such proposals are limited to one item; if more than one item is proposed, none shall be included in the agenda. The Board of Directors may exclude a proposal if any of the circumstances under Article 172-1, Paragraph 4 of the Company Act apply. Shareholders may also submit a "suggestive proposal" urging the Company to promote public interests or fulfill social responsibilities, limited to one item. The Company shall announce the acceptance of proposals, the method of submission (in writing or electronic), the location, and the period for acceptance before the book closure date. The acceptance period shall not be less than 10 days. Proposals are limited to 300 words; any proposal exceeding 300 words will not be included. The proposing shareholder shall attend the meeting in person or by proxy and participate in the discussion. The Company shall notify the proposing shareholder of the results before the date of the meeting notice and include qualifying proposals in the notice. For proposals not included, the Board shall explain the reasons at the shareholders' meeting.

#### **Article 4 (Proxy Attendance)**

A shareholder may appoint a proxy to attend a shareholders' meeting by providing a proxy form issued by the Company, stating the scope of authorization. A shareholder may issue only one proxy form and appoint only one proxy. The proxy form shall be delivered to the Company at least five days before the meeting. In the case of duplicate proxy forms, the one delivered first shall prevail, unless an explicit statement is made to revoke the previous proxy. After a proxy form is delivered, if a shareholder intends to attend the meeting in person or exercise voting rights in writing or electronically, a written notice of revocation shall be delivered to the Company two days before the meeting. If the revocation is late, the proxy's vote shall prevail. If a shareholder intends to attend a video conference meeting after delivering a proxy form, the revocation notice must be submitted two days before the meeting; otherwise, the proxy's vote shall prevail.

#### **Article 5 (Venue and Time)**

The venue for a shareholders' meeting shall be the Company's premises or a place that is convenient for shareholders and suitable for such a meeting. The meeting shall not begin earlier than 9:00 a.m. or later than 3:00 p.m. Full consideration shall be given to the opinions of the independent directors regarding the venue and time. Virtual-only meetings are not restricted by the venue requirement in the preceding paragraph.

#### **Article 6 (Registration and Attendance)**

The Company shall specify the time and place for registration for shareholders, solicitors, and proxies (collectively "shareholders") in the meeting notice. Registration shall begin at least 30 minutes before the meeting starts. The registration desk shall be clearly marked and staffed by competent personnel. For virtual meetings, registration shall open 30 minutes prior on the platform. Shareholders who complete registration on the platform are deemed to have attended in person. Shareholders shall attend by presenting an attendance card, sign-in card, or other identification. The Company shall not arbitrarily add requirements for other identity documents. Solicitors shall also carry identification for verification. The Company shall provide a sign-in

book or sign-in cards. The Company shall distribute the agenda handbook, annual report, attendance card, speaker's slips, ballots, and other materials. In the case of director elections, ballots shall also be provided. When a government or juristic person is a shareholder, more than one representative may attend. When a juristic person is appointed as a proxy, it may appoint only one representative to attend. Shareholders intending to attend a virtual meeting must register with the Company two days before the meeting. For virtual meetings, the handbook, annual report, and other materials shall be uploaded to the platform at least 30 minutes before the meeting and remain available until the end of the meeting.

**Article 6-1 (Disclosures for Virtual Meetings)** For virtual meetings, the notice shall specify:

1. Methods for participating and exercising rights.
2. Procedures for technical failures (natural disasters, incidents, force majeure) on the platform, including: (1) Rescheduling or continuation times if the barrier cannot be removed. (2) Shareholders not registered for the original virtual meeting may not attend the rescheduled meeting. (3) For hybrid meetings, if the virtual portion fails but the remaining physical attendance meets the quorum, the meeting shall continue. Virtual attendees' shares shall be counted toward the quorum, but they are deemed to abstain from all proposals. (4) Procedures if all results have been announced but extraordinary motions have not yet been addressed.
3. Alternative measures for shareholders having difficulty participating via video.

#### **Article 7 (Chairperson)**

If the meeting is convened by the Board, the Chairperson of the Board shall preside. If the Chairperson is on leave or unable to exercise duties, the Vice Chairperson shall act. If there is no Vice Chairperson or the Vice Chairperson is also unable to act, the Chairperson shall appoint a managing director or director. If no appointment is made, one shall be elected from among the directors. The acting chairperson must have served as a managing director or director for at least six months and understand the Company's financial and business status. The Chairperson of the Board is encouraged to preside in person and ensure a majority of the Board and at least one member from each functional committee attend. If convened by a person other than the Board, that person shall preside. If there are multiple conveners, they shall elect one among themselves. The Company may invite its lawyers, CPAs, or relevant personnel to attend.

#### **Article 8 (Documentation and Recording)**

The Company shall continuously record the entire registration, meeting proceedings, and voting/counting processes by audio and video. The recordings shall be kept for at least one year. If a lawsuit is filed under Article 189 of the Company Act, the records shall be kept until the conclusion of the litigation. For virtual meetings, the Company shall keep records of registration, check-in, questions, voting, and counting results, and perform continuous audio/video recording of the entire meeting. The Company should also record the back-end operation interface of the video conference platform.

#### **Article 9 (Quorum and Meeting Commencement)**

Attendance shall be calculated based on shares. The chairperson shall call the meeting to order at the appointed time and announce information on non-voting shares and total shares present. If a quorum (more than half of issued shares) is not met, the chairperson may announce a postponement, up to two times, for a total of no more than one hour. If after two postponements the quorum is still not met but attendees represent one-third or more of issued shares, a tentative resolution may be adopted per Article 175, Paragraph 1 of the Company Act. If a quorum is met before the end of the meeting, the chairperson may submit the tentative resolution for a fresh vote per Article 174 of the Company Act.

**Article 10 (Discussion of Proposals)**

The Board shall set the agenda for meetings it convenes. Each proposal (including extraordinary motions and amendments) shall be voted on case-by-case. The meeting shall proceed according to the agenda unless changed by resolution. The chairperson shall not declare the meeting adjourned prior to the conclusion of the agenda (including extraordinary motions) without a resolution. If the chairperson violates rules by adjourning, a new chairperson may be elected by a majority of attendees to continue the meeting. The chairperson shall allow sufficient discussion and may call for a vote when the discussion is deemed sufficient.

**Article 11 (Shareholder Speech)**

Shareholders must fill out a speaker's slip stating the summary, account number, and name. The chairperson determines the order of speaking. Each shareholder may speak no more than twice on the same proposal, for a maximum of five minutes each time, unless permitted by the chairperson. For virtual meetings, shareholders may submit text questions on the platform. Each proposal is limited to two questions of no more than 200 words each.

**Article 12 (Calculation of Voting Shares and Recusal)**

Voting shall be based on shares. Shares held by shareholders with no voting rights are not counted toward the total issued shares. A shareholder with a personal interest in a matter that may conflict with the Company's interest shall not vote nor act as a proxy for others. Such shares are not counted in the voting rights of shareholders present. Except for trust enterprises or authorized share registrars, if one person acts as proxy for two or more shareholders, the voting rights they represent may not exceed 3% of the total issued shares; any excess will not be counted.

**Article 13 (Voting)**

Each share has one vote, except for restricted or non-voting shares under Article 179, Paragraph 2 of the Company Act. The Company shall adopt electronic voting and may also allow written voting. Shareholders voting in writing or electronically are deemed present in person but are deemed to have waived their rights regarding extraordinary motions and amendments. Resolutions require a majority vote of the shareholders present, unless otherwise provided by law or the Articles of Incorporation. If there is an amendment or alternative to a proposal, the chairperson shall determine the order of voting. If one is passed, the others are deemed rejected. Scrutineers and clerks for voting shall be appointed by the chairperson, but scrutineers must be shareholders. For virtual meetings, voting must be completed before the chairperson announces the end of voting.

**Article 14 (Elections)**

Elections of directors shall be conducted in accordance with the Company's relevant election rules. The results, including the list of winners and their winning votes, shall be announced on the spot. Ballots shall be sealed, signed by scrutineers, and kept for at least one year (or until a lawsuit is concluded).

**Article 15 (Minutes)**

Minutes shall be signed or sealed by the chairperson and distributed to shareholders within 20 days. Distribution may be done via MOPS announcement. The minutes shall record the date, venue, chairperson's name, resolution method, meeting summary, and results (including vote counts). For elections, the votes for each candidate must be disclosed. Minutes shall be kept permanently for the duration of the Company. For virtual meetings, the start and end times, method of meeting, and handling of technical failures must also be recorded.

**Article 16 (Public Disclosure)**

The Company shall compile a statistical table of shares obtained by solicitors, proxies, and those attending via written/electronic means, and disclose it at the venue. For virtual meetings, this must be uploaded to the platform 30 minutes before the meeting. Material information as defined by law or the TWSE/TPEX shall be uploaded to the MOPS within the specified time.

**Article 17 (Order at the Venue)**

Staff shall wear identification. The chairperson may direct marshals or security to maintain order. If a shareholder violates the rules, ignores the chairperson's corrections, and obstructs the meeting, the chairperson may direct staff to escort them from the venue.

**Article 18 (Recess and Resumption)**

The chairperson may announce a recess at their discretion or due to force majeure. If the venue becomes unavailable before the agenda is concluded, the shareholders may resolve to find a new venue. The meeting may be postponed or resumed within five days per Article 182 of the Company Act.

**Article 19 (Disclosure of Results for Virtual Meetings)**

For virtual meetings, voting and election results shall be disclosed immediately on the platform and remain for at least 15 minutes after adjournment.

**Article 20 (Location of Chairperson for Virtual Meetings)**

For virtual meetings, the chairperson and secretary shall be at the same location within Taiwan, and the address shall be announced at the start of the meeting.

**Article 21 (Technical Support and Failures in Virtual Meetings)**

The Company may provide connection tests and technical support for virtual meetings. If a technical failure persists for over 30 minutes, the meeting shall be postponed or resumed within five days, unless the quorum is met by physical attendees (for hybrid meetings). The preceding paragraph's rescheduling does not apply to Article 182 of the Company Act under specific conditions.

**Article 22 (Alternative Measures)**

The Company shall provide appropriate alternative measures for shareholders who have difficulty participating in a virtual meeting.

**Article 23 (Implementation)**

These Rules shall take effect upon approval by the shareholders' meeting and the listing of the Company's shares on the Taiwan Stock Exchange. The same applies to any amendments.

## Appendices 4

### **BORETECH Resource Recovery Engineering Co., Ltd. Procedures for Election of Directors**

#### **Article 1**

These Procedures are adopted in accordance with Articles 21 and 41 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” for the purpose of ensuring a fair, just, and open election of directors.

#### **Article 2**

The election of directors of the Company shall be conducted in accordance with these Procedures, except as otherwise provided by applicable laws and regulations or the Company’s Articles of Incorporation.

#### **Article 3**

The election of directors of the Company shall take into consideration the overall composition of the Board of Directors. The composition of the Board shall be determined by taking diversity into consideration, and appropriate diversity policies shall be formulated based on the Company’s operations, business model, and development needs. Such policies should include, but are not limited to, the following two aspects:

1. Basic qualifications and values: gender, age, nationality, and culture.
2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Members of the Board shall generally possess the knowledge, skills, and qualities necessary for the performance of their duties. The Board as a whole shall possess the following capabilities:

1. Operational judgment capability.
2. Accounting and financial analysis capability.
3. Business management capability.
4. Crisis management capability.
5. Industry knowledge.
6. International market perspective.
7. Leadership capability.
8. Decision-making capability.

More than half of the seats on the Board shall not have spousal relationships or relationships

within the second degree of kinship among directors.

The Board of Directors shall consider adjustments to its composition based on the results of performance evaluations.

#### **Article 4**

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

The election of independent directors of the Company 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 handled in accordance with Article 24 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.”

#### **Article 5**

After the Company’s shares become publicly issued, the election of directors shall adopt the candidate nomination system and procedures set forth in Article 192-1 of the Company Act.

If the dismissal of a director for any reason results in the number of directors falling below five, the Company shall hold a by-election at the next shareholders’ meeting. However, if the number of vacancies on the Board reaches one-third of the number specified in the Articles of Incorporation, the Company shall convene a special shareholders’ meeting within sixty days from the date of occurrence to hold a by-election.

If the number of independent directors falls below the requirement prescribed in the proviso of Paragraph 1, Article 14-2 of the Securities and Exchange Act, a by-election shall be held at the next shareholders’ meeting. If all independent directors are dismissed, the Company shall convene a special shareholders’ meeting within sixty days from the date of occurrence to hold a by-election.

#### **Article 6**

The election of directors of the Company shall adopt the cumulative voting system. Each share shall have voting rights equal to the number of directors to be elected, and such voting rights may be concentrated on one candidate or distributed among multiple candidates.

#### **Article 7**

The Board of Directors shall prepare ballots equal in number to the directors to be elected and

specify the number of voting rights thereon. The ballots shall be distributed to shareholders attending the shareholders' meeting. The attendance card number printed on the ballot may be used in place of the elector's name.

#### **Article 8**

Directors of the Company shall be elected according to the number of seats specified in the Articles of Incorporation. The voting rights for independent directors and non-independent directors shall be calculated separately, and the candidates receiving the highest numbers of voting rights represented by ballots shall be elected sequentially according to their respective categories. Where two or more persons receive the same number of voting rights and the number exceeds the prescribed quota, the matter shall be decided by drawing lots among those with equal voting rights. If a tied candidate is absent, the chairperson shall draw lots on behalf of such candidate.

#### **Article 9**

Before the election begins, the chairperson shall appoint several shareholders as vote monitoring and counting personnel to perform related duties. The ballot boxes shall be prepared by the Board of Directors and publicly inspected by the vote monitoring personnel before voting commences.

#### **Article 10**

A ballot shall be deemed invalid under any of the following circumstances:

1. The ballot is not prepared by a person authorized to convene the meeting.
2. A blank ballot is cast into the ballot box.
3. The handwriting is illegible or has been altered.
4. The candidate filled in does not match the director candidate list upon verification.
5. Other words or markings are inserted in addition to the allocated voting rights.

#### **Article 11**

Ballots shall be counted on-site immediately after the completion of voting, and the results shall be announced on-site by the chairperson, including the list of elected directors and the number of voting rights obtained by each.

The ballots for the election referred to in the preceding paragraph shall be sealed and signed by the vote monitoring personnel and properly kept for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

**Article 12**

The Company's Board of Directors shall issue notifications of election to the elected directors.

**Article 13**

These Procedures shall take effect upon approval by the shareholders' meeting. The same shall apply to any amendments hereto.

Date of Establishment: August 18, 2021.

**BORETECH Resource Recovery Engineering Co., Ltd.****Shareholdings of All Directors****Record Date: April 25, 2026**

<b>Title</b>	<b>Name</b>	<b>Shares</b>	<b>%</b>	<b>Representative</b>
<b>Chairman</b>	<b>OU Che-Wen</b>	<b>0</b>	<b>0%</b>	
<b>Director</b>	<b>ECOVE Environment Corporation</b>	<b>11,997,903</b>	<b>16.18%</b>	<b>TIAO Hsiu-Hua</b>
<b>Director</b>	<b>BRAINTREE INDUSTRIES LIMITED</b>	<b>22,905,914</b>	<b>30.89%</b>	<b>KO Yung-Chun</b>
<b>Director</b>	<b>GUANG SHUN PETTECHS FIBRE INDUSTRY L.L.C.</b>	<b>13,832,371</b>	<b>18.65%</b>	<b>OU Po-Hao</b>
<b>Independent Director</b>	<b>HSU Wen-Kuan</b>	<b>0</b>	<b>0%</b>	
<b>Independent Director</b>	<b>TSAO Mihn</b>	<b>0</b>	<b>0%</b>	
<b>Independent Director</b>	<b>LIN Hui-Ping</b>	<b>0</b>	<b>0%</b>	
<b>Independent Director</b>	<b>HUANG Kuo-Ming</b>	<b>0</b>	<b>0%</b>	
<b>Total number of shares held by all Directors</b>		<b>48,736,188</b>	<b>65.73%</b>	

(1) Total shares issued as of April 25, 2026: 74,151,512 Common Shares.

(2) The minimum required combined shareholding of all Directors by law: 5,932,121 shares.

## Appendix 6

### Others

1、The process of proposals raised by shareholders during this annual general meeting:

- 1) According to Article 172-1 of the Company Act, shareholders with more than 1% ownership interest are entitled to raise a maximum of one proposal less than 300 words to the Company in writing, which will be addressed during the annual general meeting.
- 2) This year's annual general shareholders' meeting was open to shareholders' proposals from April 17 to April 27, 2026, and these dates have been published on the Market Observation Post System in compliance with the relevant regulations.
- 3) The Company did not receive any proposals from shareholders.