

# **TONG HSING ELECTRONIC INDUSTRIES, LTD.**

## **Articles of Incorporation**

### **Chapter 1 General**

Article 1: The Company shall be incorporated under the Company Act, and its name shall be Tong Hsing Electronic Industries, Ltd. (hereinafter referred to as Tong Hsing). Chinese name is 同欣電子工業股份有限公司.

Article 2: The scope of business of the Company shall be as follows:

- I. CC01070 Wireless Communication Mechanical Equipment Manufacturing
- II. F113070 Wholesale of Telecommunication Apparatus
- III. F213060 Retail Sale of Telecommunication Apparatus
- IV. CC01080 Electronics Components Manufacturing
- V. F119010 Wholesale of Electronic Materials
- VI. F219010 Retail Sale of Electronic Materials
- VII. F401010 International Trade
- VIII. F601010 Intellectual Property Rights
- IX. JE01010 Rental and Leasing
- X. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval

Article 2-1: When necessary for its operation, the Company may provide endorsement, guarantee, or re-investment. The total amount of the Company's re-investment shall not be subject to the restriction of not more than forty percent (40%) of the Company's paid-up capital as provided in Article XIII of Company Act.

Article 3: The Company shall have its head office in Taoyuan City, Taiwan, Republic of China, and shall be free, upon approval of government authorities in charge, to setup representative and branch offices at various locations within and without the territory of the Republic of China, wherever and whenever the Board of Directors deems it necessary or advisable to carry out any or all of its activities, including dissolution of branch offices.

Article 4: Public announcements of the Company shall be made in accordance with the provisions of the Company Act and the regulations prescribed by the competent securities authorities.

## **Chapter 2 Shares**

Article 5: The registered capital of the Company shall be NT\$4,000,000,000, divided into 400,000,000 common shares with a par value of NT\$10 per share, and the Board of Directors are authorized to issue by increments.

A total of 100,000,000 shares shall be set aside from the aforementioned common shares for the use as employee Stock Warrants, divided into 10,000,000 shares, and the Board of Directors are authorized to issue by increments.

If the issued subscription price of the Company is lower than the subscription warrant of employees of the closing price of common stock of Japanese companies, they can only be issued after obtaining the consent from more than two thirds of voting power of attending shares at shareholders' meeting to be attended by more than half shareholders representing the total number of issued shares.

Article 6: The shares of the Company are registered shares. The share certificates shall be assigned with serial numbers and affixed with the signature or stamp of the director representing the Company. The share certificates shall be duly certified or authenticated by the bank which is competent to certify shares in accordance with the law before they are issued.

The Company may issue registered shares without certificates, and such shares shall be registered with a central securities depository.

Article 7: The Company's shares shall be handled according to the "Regulations Governing the Administration of Shareholder Service of Public Companies" prescribed by the competent authority.

Article 8: No registration of transfer of shares shall be made within sixty days (60) prior to an annual shareholder meeting, nor within thirty days (30) prior to a special (extraordinary) shareholder meeting, nor within five (5) days prior to the record day on which dividend, bonus or other benefits is scheduled to be paid by the Company.

## **Chapter 3 Shareholders' Meeting**

Article 9: Shareholders meetings shall be of two types: General meetings and Extraordinary meetings. General meetings shall be convened annually by the Board within six months of the end of each fiscal year. Extraordinary

meetings shall be convened in accordance with the relevant laws, whenever necessary.

The Company's shareholders' meetings shall be held by video conference or other means as announced by the Ministry of Economic Affairs.

Article 10: Except as provided in the Company Act of the Republic of China, shareholders meetings may be held if attended by shareholders in person or by proxy representing more than one half of the total issued and outstanding capital stock of the Company, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting.

Article 10-1: The Company shall withdraw public issuance after the proposal is adopted at the shareholders meeting.

Article 11: Unless otherwise specified by the law, each shareholder of the Company shall be entitled to one vote for each share held.

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. When a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the Company, otherwise, the portion of excessive voting power shall not be counted.

Article 12: The Chairperson of the Board of Directors shall preside the shareholders meeting. In case the Chairperson of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, the vice chairperson shall act on his behalf. In case there is no designation by the Chairperson, the Directors shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors or the directors shall elect from among themselves an acting Chairperson of the Board of Directors. In the absence of such a designation, the directors or the directors shall elect from among themselves an acting Chairperson of the Board of Directors. If there are two or more persons having the convening right, the chair of the meeting shall be elected from among themselves.

Article 12-1: Resolutions adopted at a shareholders meeting shall be recorded in the minutes of the meeting in accordance with Article 183 of Company Act.

## **Chapter 4 Directors and the Audit Committee**

Article 13: The Company shall have nine to eleven directors to be elected at the shareholders meeting by the shareholders from among the nominees listed in the roster of director candidates. The term of office for directors shall be three years. All of the directors are eligible for re-election.

A spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors.

The Company shall have, among the aforementioned directors, at least three independent directors, and the number of independent directors shall be no less than one-fifth of the total number of the directors.

Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, methods of nomination and election, and other matters for compliance with respect to independent directors shall be prescribed by the competent authority.

The election of directors (including independent directors) and supervisors at the Company is subject to the provisions of Company Act in that a candidate nomination system for directors and supervisors shall be adopted. Shareholders shall elect directors and supervisors from among the those listed in the slate of independent director candidates. Such system and related announcement shall comply with the regulations stated in the Company Act, Securities and Exchange Act.

Article 13-1: The Board of Directors is authorized to determine the salary for the Directors (including independent directors), taking into account the extent and value of the services provided for the Remuneration Committee and the standards of the industry.

The Company shall take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy.

The Company shall establish an Audit Committee in accordance with Article 14, paragraph 4 of the Securities and Exchange Act. The exercise of power by audit committee and independent directors and related matters shall be set forth in accordance with the rules and regulations of the TWSE or TPEx.

Article 14: The directors shall organize a Board of Directors, at which at least two-thirds of the directors shall be present, and with the consent of a majority of the directors present, one of them shall be elected from among themselves

as the Chairperson of the Board of Directors, and if necessary, one of them shall be elected from among themselves in the same manner as the Vice Chairperson of the Board of Directors. The Chairperson of the Board of Directors shall represent the Company and execute all business of the Company in accordance with the laws, the Articles of Incorporation, and the resolutions of the shareholders' meeting and the Board of Directors.

Article 14-1: Unless otherwise specified in the Company Act, board meetings shall be convened and chaired by the Chairperson of the Board. When the Chairperson of the Board is on leave or for any reason unable to exercise the powers of chair, the chair shall appoint one of the directors to act in place of the chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chair, the directors shall select one person from among themselves to serve as chair. In case a director appoints another director to attend a meeting of the Board of Directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting.

Article 14-2: A notice of the reasons, time and place for convening a board meeting shall be given to each director and supervisor before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice. Meeting notices can be faxed or emailed instead of written notices.

Each director shall attend the meeting of the board of directors in person. In case a meeting of the board of directors is held by video conference, then the directors taking part in such a video conference meeting shall be deemed to have attended the meeting in person.

Article 15: The Board of Directors shall set up functional committees for auditing, remuneration, nomination, risk management or any other functions. Functional committees shall adopt an organizational charter to be approved by the Board of Directors.

## **Chapter 5 Manager**

Article 16: The Company has a general manager who shall be nominated by the Chairperson of the Board. The appointment, discharge, and remuneration shall comply with Article 29 of the Company Act.

## Chapter 6 Accounting

Article 17: The Company's fiscal year is from January 1st to December 31st of each year, and the final accounting report shall be processed at the end of a fiscal year.

Article 18: At the end of each fiscal year, the Board of Directors prepares the following lists and submits them to the Audit Committee for review, and reports to the general shareholders' meeting for acceptance.

- I. Business report.
- II. Financial statements.
- III. Proposals of profit allotment or loss coverage.

Article 19: If the Company makes a profit (profit is defined as income before tax less distribution of employees' compensation and directors' compensation) in a year, no less than 3% shall be set aside as employees' compensation and no more than 3% shall be set aside as directors' remuneration.

However, if the Company still has accumulated losses, the Company shall retain the amount to offset such losses in advance and then provide for the employees' compensation and directors' remuneration in proportion to the aforementioned amounts.

The distribution shall be made in the form of cash or stocks for employees, but only in the form of cash for the directors.

Employees entitled to receive the said stock or cash may include the employees of the Company's subordinate companies who meet certain requirements.

Proposals of distributions to employees, directors and supervisors shall be taken to the shareholders' meeting for approval after the resolution is reached by a majority of the Board with two thirds in attendance.

Article 19-1: When allocating the earnings for each fiscal year, the Company must pay tax and make up for the accumulated losses first, also share the remaining profit as follows:

- I. Set aside 10% of the earnings as legal reserve. However, when the legal reserve amount equals to the paid-in capital of the Company, it is not subject or such restriction.
- II. Set aside or reverse special reserve in accordance with the relevant laws and regulations.
- III. Pay dividends or bonuses for an amount not less than 30% of the amount net of the legal reserve and special reserve as stipulated in the

preceding paragraph and the cash dividends shall account for at least 50% of the current year's total dividends. The Board of Director shall prepare the earnings distribution proposal for the resolutions of the shareholders' meeting. However, if the earnings distribution proposal is for the distribution of dividend and bonus in cash entirely or partially, it shall be resolved by the Board of Directors with the attendance of more than two-thirds of the directors and the consent of the majority of attending directors; also, it shall be reported in the shareholders' meeting.

The Company's dividend policy is based on the current and future development plans, consideration of the investment environment, capital requirements, domestic and international competition, and the interests of shareholders, etc. The Board of Directors shall prepare a resolution to be approved by the shareholders in a meeting.

If the Company has no loss, the Board of Directors, with two-thirds of the directors present and a majority of the directors present, shall issue all or a portion of the legal reserve and the capital surplus as provided in Paragraph 1, Article 241 of the Company Act to the shareholders in cash in proportion to their original shares and report the same to the shareholders' meeting.

Article 19-2: Distributions from the Company's earnings or loss can be made after the end of each semi-annual fiscal year.

When the Company distributes earnings for the first half of the fiscal year in accordance with the preceding paragraph, the Company shall estimate and retain the amount of taxable contributions, offsetting losses, compensation to employees, and reserve from earnings. However, this limit does not apply when the legal reserve has reached the amount of paid-in capital.

The first proposal for distribution of earnings or offsetting losses should be submitted to the Audit Committee for review and approval, taking into account the current year's operating conditions and cash flows, together with the business report and financial statements. If the distribution of earnings is made in the form of new shares, the Board of Directors shall submit a resolution to the shareholders' meeting in accordance with Article 240 of the Company Act.

Article 20: The Company intends to transfer the shares repurchased by the Company to employees in accordance with the relevant laws and regulations, and if it intends to transfer them to employees at a price lower than the average price of the actual repurchased shares, then it can be implemented after the

consent of more than two-thirds of the shareholders who represent more than half of the total number of issued shares.

## **Chapter 7 Supplementary**

Article 21: Any other matters not set forth in the Articles of Incorporation shall be dealt with in accordance with the Company Act.

Article 22: The Articles of Incorporation were established on July 2, 1974.

The first amendment was made on December 8, 1976.

The second amendment was made on April 19, 1977.

The third amendment was made on April 15, 1978.

The fourth amendment was made on May 6, 1983.

The fifth amendment was made on July 18, 1984.

The sixth amendment was made on February 27, 1985.

The seventh amendment was made on December 27, 1985.

The eighth amendment was made on April 7, 1986.

The ninth amendment was made on August 7, 1986.

The tenth amendment was made on September 15, 1988.

The eleventh amendment was made on June 3, 1989.

The twelfth amendment was made on December 6, 1989.

The thirteenth amendment was made on September 26, 1990.

The fourteenth amendment was made on January 3, 1991.

The fifteenth amendment was made on December 5, 1991.

The sixteenth amendment was made on June 10, 1992.

The seventeenth amendment was made on May 10, 1994.

The eighteenth amendment was made on June 30, 1995.

The nineteenth amendment was made on May 21, 1996.

The twentieth amendment was made on July 14, 1997.

The twenty-first amendment was made on October 6, 1997.

The twenty-second amendment was made on June 24, 1999.

The twenty-third amendment was made on June 3, 2000.

The twenty-fourth amendment was made on June 26, 2001.

The twenty-fifth amendment was made on June 7, 2002.

The twenty-sixth amendment was made on June 21, 2005.

The twenty-seventh amendment was made on June 20, 2006.

Twenty-eighth amendment was made on December 21, 2006.

The twenty-ninth amendment was made on May 15, 2007.

The thirty amendment was made on May 15, 2007.  
The thirty-first amendment was made on June 19, 2008.  
The thirty second amendment was made on June 26, 2009.  
The thirty-third amendment was made on April 28, 2010.  
The thirty-fourth amendment was made on June 19, 2012.  
The thirty-fifth amendment was made on June 19, 2013.  
Thirty-sixth amendment was made on June 18, 2015.  
The thirty-seventh amendment was made on June 16, 2016.  
The thirty-eighth amendment was made on June 16, 2017.  
The thirty-ninth amendment was made on June 15, 2018.  
The fortieth amendment was made on June 21, 2019.  
The forty-first amendment was made on February 14, 2020.  
The forty-second amendment was made on June 5, 2020.  
The forty-third amendment was made on June 8, 2022.  
The forty-fourth amendment was made on June 6, 2023.  
The forty-fifth amendment was made on May 30, 2024.

TONG HSING ELECTRONIC INDUSTRIES, LTD.

Tie-Min Chen, Chairperson of the Board