

Article of Incorporation

Chapter 1 General Principles

Article 1 The Company is named by APAC Opto Electronics Inc., which is organized in accordance with the regulation of company limited by share in The Company Act.

Article 2 Business items of the Company are shown as follows:

1. CC01101 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing.
2. CC01110 Computers and Computing Peripheral Equipment Manufacturing.
3. CC01120 Data Storage Media Manufacturing and Duplicating.
4. CC01060 Wired Communication Equipment and Apparatus Manufacturing.
5. CC01070 Telecommunication Equipment and Apparatus Manufacturing.
6. CC01080 Electronic Parts and Components Manufacturing.
7. CE01030 Photographic and Optical Equipment Manufacturing.
8. F113050 Wholesale of Computing and Business Machinery Equipment.
9. F113070 Wholesale of Telecom Instruments.
10. F119010 Wholesale of Electronic Materials.
11. F213030 Retail sale of Computing and Business Machinery Equipment.
12. F213060 Retail Sale of Telecom Instruments.
13. F218010 Retail Sale of Computer Software.
14. F219010 Retail Sale of Electronic Materials.
15. F401010 International Trade.
16. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import.
17. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 The Company shall make endorsement and guarantee externally due to needs of business.

Article 4 The Company has its head office in Hsinchu County, Taiwan. If necessary, it may set up branches or reinvest in establishing subsidiaries at home and abroad upon the resolution of the Board of Directors. The Company's foreign investment is determined by the Company's Board of Directors, and its total investment is not subject to the company law's restrictions on the proportion of reinvestment.

Article 5 Deleted.

Chapter 2 Shares

Article 6 The total capital of the Company is 1 billion NTD, divided into 100 million shares with per par value of 10 NTD. It authorizes Board of Directors to issue the share separately if necessary. Within the total capital of the preceding paragraph, NT\$ 50 million is reserved for the issuance of employee warrants for a total of 5 million shares. NT\$ 10 per par value may be issued in batches in accordance with the resolution of the Board of Directors.

Article 6-1 If the Company intends to issue employee stock options at a market price lower than the issue date, it shall be issued after a special resolution of the shareholders' meeting in accordance with the provisions of Article 56-1 and Article 76 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers.

If the company intends to transfer to employees at an average price lower than the actual price of the shares repurchased, it shall be subject to the provisions of Articles 10, 1 and 13 of Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies. The proposal should be reported to the latest the shareholders meeting for special resolution before proceeding the transfer.

Article 7 The Company's stocks are in nominal form, signed or sealed by three or more Directors and stamped with the Company's logo, issued after a legal approval.

Stocks issued by the Company as well as other securities are not required to be printed. The Company, however, shall contact the centralized securities depository enterprise institution for registration of the share certificates.

Article 8 The Company shall administer all the stock-related operations or affairs in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies", unless otherwise specified by law.

Chapter 3 Shareholder's Meeting

Article 9 Shareholders' meeting consists of two types, one is regular shareholders' meeting, the other is provisional shareholders meeting. The regular shareholders' meeting will be conducted by the Chairman of the Board and may be held within six months after the end of fiscal year every year. The provisional shareholders' meeting may be held if necessary.

Article 10 A shareholder who cannot attend shareholders' meeting may appoint a proxy to attend on his/her behalf by executing a power of attorney printed and issued by the Company, stating clearly the scope of the authorization.

Article 11 Each shareholder is entitled to one vote for each share of holdings except for the shares under restriction or as specified in Article 179 of the Company Act.

Article 12 Unless otherwise specified in The Company Act, for the resolution of Shareholders' meeting, it shall be made by the attendance with over a half of the shareholders holding outstanding number of shares and agreement of over a half of attending shareholders with voting rights.

Article 13 The chairman of the Shareholders' meeting shall be the Chairman of the Company. If the Chairman is absent, the Chairman shall appoint one of the Directors. When there's no appointed personnel from the Chairman, one should be appointed by all the Directors.

Article 13-1 The matters discussed at the shareholders' meeting shall be recorded in the minutes and handled in accordance with Article 183 of the Company Act.

Chapter 4 Board of Directors

Article 14 The Company has five to nine Directors for a tenure of three years, and are elected from among those with the ability to act at the shareholders' meeting. Elected Directors can be re-elected. The Company should buy liability insurance for Directors and Supervisors based on their business range during their tenure in accordance with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. Insured range is authorized to be resolved by Board of Directors.

The aforesaid Board of Directors must have at least two independent directors and not less than one fifth of the total number of directors. The independent director's professional qualification, shareholding, limitation of holding multiple positions concurrently, recognition of independence, nomination, election and other items to be obeyed should be proceed by following regulations of securities competence authority.

The election of directors of the Company adopts the candidate nomination system. Shareholders should elect from the list of director candidates.

Article 14-1 Remuneration of the Company's Directors and Supervisors is authorized to be agreed on average standard in the industry by Board of Directors based on involvement on Company's operation and value of contribution.

Article 15 Board of Directors are organized by Directors. Chairman should be elected among at least two thirds of Directors attendance and gain more than half of attended Directors' agreement. The chairman externally represents the Company.

Article 16 Duties of Board of Directors are as follows:

1. Approval of Company's policy.
2. Approval of annual plan.
3. Evaluation and advises on increasing/decreasing of capital.
4. Evaluation and termination of subsidiaries.
5. Budget and final settlement.
6. Evaluation and review of real estate dealing.
7. Evaluation and review of investment.
8. Review of key business of related corporates.
9. Appointment and remuneration of managers.
10. Proposal of dismissal of the Company and merger.
11. Suggestion on dividends distribution or loss subsidy for Board of Shareholders.
12. Proposal of matters for acknowledge for Shareholder's Meeting.
13. Items assigned by the Chairman.
14. Approval of sales report from Sales Dept. that to be reported on Shareholder's Meeting.
15. Resolution of other significant matters.

Article 17 Directors' Meeting should be convened once a quarter and extraordinary meeting should be convened when it's necessary and the Chairman should call and hold the meeting. When the chairman is absent or cannot exercise authority, the chairman should assign a Director to be deputed. Directors may elect one of them in case of no designation hereof.

The convening of Directors' Meeting should inform every Director and Supervisor 7 days prior to the meeting date, but may convene anytime in case of emergency.

The convening of Directors' Meeting can be delivered by written mail, E-mail or facsimile.

Article 18 Unless other specified in Company Act, resolution of Directors' Meeting should gain agreement from more than half of attended Directors with attendance of Directors is more than half. Directors may issue a power of attorney when unable attend the Directors' meeting to delegate other Director for acting on behalf of the Director to attend the meeting.

Chapter 5 Supervisor

Article 19 The Company has three Supervisors with tenure of three years, elected by Board of Shareholders and can be re-elected.

The election of Supervisors of the Company adopts the candidate nomination system. Shareholders should select from the list of supervisor candidates.

Article 20 Duties of Supervisors are as follows:

1. Inquiry of business.
2. Review of files and financial status.

Article 21 Supervisors should attend Directors' Meeting for expressing opinions but do not have rights of voting.

Chapter 6 Manager

Article 22 The Company has one general manager, nominated by the Chairman and reported to all Directors and should gain more than half agreement for appointment.

Article 23 The Company has several managers for assisting general manager.

Article 24 Appointment, dismissal and remuneration of managers are proceeded in accordance with Company Act.

Chapter 7 Accounting

Article 25 The fiscal year of the Company is from Jan.1st to Dec.31st of every year.

Board of Directors should prepare documents listed below and report to Supervisor for review and approval and Shareholder's Meeting 30 days prior to the date of Shareholders' Meeting by end of every fiscal year.

1. Operation report.
2. Financial report.
3. Proposal of dividends distribution or loss subsidy.

Article 26 The Company should contribute no less than 3% and not higher than 15% of the profit as remuneration for employees for the year of making profit, and should include employees from subordinate company that meet particular conditions. The conditions should be regulated by Board of Directors. The company is able to open a profitable amount, and no more than 5% shall be remunerated by Board of Directors for Directors and Supervisors.

However, it shall preserve amount to cover the deficit.

Article 27 The Company shall contribute by the order listed below when it has profit after final settlement by end of the fiscal year:

1. Tax payment.
2. Previous deficit.
3. 10% for legal reserve but not applicable when legal reserve has reached the total amount of capital.
4. Set aside or reversal special reserve by regulation when it's necessary.
5. With deduction of items mentioned above, Board of Directors should prepare distribution proposal based on the balance consolidated with previous earnings in accordance with dividends policy and propose to Board of Shareholders for resolution. Bonus distributed to Shareholders should be no less than 30% of earnings after tax.

The industry where the Company is in is still growing, to copy with operation expansion plan in the future, bonus for Shareholders will be distributed by both in cash and stock, as proportion of cash dividends will be no less than 20% of total dividends and the rest will be distributed in stock dividends.

Chapter 8 Supplementary Articles

Article 28 The organization policy of the Company and details will be regulated in other regulations.

Article 29 This article was stipulated in July 4th, 1998.

The first amendment was on June 24th, 1999.

The second amendment was on June 27th, 2001.

The third amendment was on June 26th, 2002.

The fourth amendment was on June 26th, 2002.

The fifth amendment was on June 30th, 2003

The sixth amendment was on June 30th, 2003.

The seventh amendment was on June 24th, 2004.

The eighth amendment was on June 22nd, 2007.

The ninth amendment was on June 13th, 2008.

The ninth amendment was on June 13th, 2008.

The tenth amendment was on June 10th, 2009.

The eleventh amendment was on June 25th, 2010.

The twelfth amendment was on June 21st, 2012.

The thirteenth amendment was on June 25th, 2014.

The fourteenth amendment was on June 29th, 2015

The fifteenth amendment was on June 20th, 2016.

The sixteenth amendment was on June 21st, 2017.

The seventeenth amendment was on August 26st, 2021.

APAC Opto Electronics Inc.

Chairman: Yeh Chen-Yen