

# **Leofoo Development Co., Ltd.**

## Articles of Incorporation

### **Chapter 1 General Provisions**

Article 1: The Corporation is organized in accordance with the provisions of the Company Act regarding companies limited by shares, and is named Leofoo Development Co., Ltd., with the English name "LEOFOO DEVELOPMENT CO., LTD.

Article 2: The business operations of the Corporation are as follows:

1. A101020 Growing of Crops
2. A102020 Agricultural Products Preparations
3. A401020 Raising of Livestock and Poultry
4. C201010 Feed Manufacturing
5. F103010 Wholesale of Animal Feeds
6. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
7. F105050 Wholesale of Furniture, Bedding, Kitchen Utensils, and Fixtures
8. F199990 Other Wholesale Trade
9. F202010 Retail Sale of Feeds
10. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
11. F205040 Retail of Furniture, Bedding, Kitchen Utensils, and Fixtures
12. F299990 Retail Sale of Other Products
13. F301010 Department Stores
14. F301020 Supermarkets
15. F401010 International Trade
16. F501060 Restaurants
17. G202010 Parking Area Operators
18. H701010 Housing and Building Development and Rental
19. H701050 Investment, Development and Construction in Public Construction
20. H701060 New Towns, New Community Development
21. H701080 Urban Renewal Reconstruction
22. H701090 Urban Renewal Renovation or Maintenance
23. H702010 Construction Manager
24. H703090 Real Estate Business
25. H703100 Real Estate Leasings

26. I103060 Management Consulting
27. I501010 Product Designing
28. I503010 Landscape and Interior Designing
29. J202010 Industry Innovation and Incubation Services
30. J403010 Motion Picture Projection
31. J601010 Arts and Culture
32. J701010 Electronic Game Arcades
33. J701020 Amusement Parks
34. J701040 Recreational Activities Venue
35. J799990 Other Recreational Services
36. J801010 Golf Course
37. J801030 Athletics and Recreational Sports Stadium
38. J901011 Tourist Hotel
39. J901020 Regular Hotel
40. J904011 Tourism and Entertainment
41. JE01010 Rental and Leasing
42. JZ99050 Agency Services
43. JZ99070 Tailoring Services
44. JZ99080 Beauty and Hairdressing
45. C802090 Manufacture of Cleaning Preparations
46. F208050 Retail Sale of Over-the-counter Drugs Class B
47. F108031 Wholesale of Medical Devices
48. F208031 Retail Sale of Medical Apparatus
49. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2: Paragraph 1 The Corporation may provide external guarantees and make reinvestments for business purposes, with the total amount of reinvestment permitted to exceed forty percent of the Corporation's paid-in capital.

Article 3: The Corporation is located in Hsinchu County, and may establish branches in appropriate locations domestically and internationally when necessary, upon resolution of the Board of Directors.

## **Chapter 2 Shares**

Article 4: The total capital of the Corporation is set at NT\$3.8 billion, divided into 380 million shares, with a par value of NT\$10 per share. The unissued shares are authorized to be issued by the Board of Directors in installments. Within the total capital mentioned in the preceding paragraph, 30,000,000 shares are reserved for issuance upon the exercise of employee stock warrants, restricted stock awards for employees, preferred shares with warrants, or corporate bonds with warrants.

The targets of transfer, subscription, issuance, and distribution of treasury shares repurchased by the Company in accordance with the law, newly issued shares, restricted stock awards for employees, and employee stock warrants include employees of subsidiaries that meet certain conditions, and such certain conditions are authorized to be determined by the Board of Directors.

If the Company intends to transfer shares repurchased at a price lower than the average repurchase price to employees, or intends to issue employee stock warrants with a subscription price lower than the closing price of the Company's common shares on the issuance date in accordance with the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers," such transfer or issuance shall require the approval of a shareholders' meeting attended by shareholders representing more than half of the total issued shares, with the affirmative votes of two-thirds or more of the voting rights represented by the attending shareholders.

Article 5: The shares issued by the Corporation may be exempt from printing share certificates, but should be registered with a securities depository and clearing institution.

Article 6: The Corporation's share-related operations shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" issued by the competent authority, except as otherwise provided by laws and securities regulations.

Article 7: Deleted.

Article 8: Changes to the shareholders' register shall not be made within sixty days prior to a regular shareholders' meeting, within thirty days prior to a special shareholders meeting, or within five days prior to the record date for the distribution of dividends, bonuses, or other benefits by the Corporation. The period mentioned in the preceding paragraph shall be calculated from the date of the meeting or the record date.

### **Chapter 3 Shareholders Meeting**

Article 9: Shareholders meetings are divided into regular meetings and special meetings. Unless otherwise provided by the Company Act, they shall be convened by the Board of Directors. Regular meetings shall be convened at least once a year and shall be held within six months after the end of each fiscal year, except where there is a legitimate reason and approval has been obtained from the competent authority. Special meetings shall be convened as necessary in accordance with the law.

Article 9-1: When the Corporation holds shareholders meetings, it may do so by means of video conference or other methods announced by the Ministry of Economic Affairs.

Article 10: If a shareholder is unable to attend the shareholders' meeting, they may, in accordance with Article 177 of the Company Act, authorize a proxy to attend the meeting on their behalf by providing a proxy letter issued by the Corporation. Matters regarding the use of proxies shall be handled in accordance with the "Regulations Governing the Use of

- Proxies for Attendance at Shareholder Meetings of Public Companies".
- Article 11: The shareholders meeting convened by the Board of Directors shall be chaired by the chairman of the Board. If the chairman of the Board is on leave or for any reason unable to attend, and if a vice chairman has been appointed, the vice chairman shall act in place of the chairman. If no vice chairman has been appointed, or if the vice chairman is also on leave or for any reason unable to attend, the chairman shall appoint one of the directors to act as chair. If the chairman does not make such a designation, the directors shall mutually elect one director from among themselves to serve as chair.
- If a shareholders meeting is convened by a party other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually elect a chair from among themselves.
- Article 12: Each shareholder shall have one voting right per share. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, Paragraph 2 of the Company Act.
- Article 13: Resolutions of the shareholders meeting shall, unless otherwise provided by the Company Act, be adopted by a majority of the voting rights represented by shareholders present who represent more than half of the total number of issued shares.
- Article 14: Resolutions of the shareholders meeting shall be recorded in the minutes, which shall be handled in accordance with Article 183 of the Company Act.

#### **Chapter 4 Directors and Managerial Officers**

- Article 15: The Corporation shall have five to nine directors (including independent directors), adopting the candidate nomination system under Article 192-1 of the Company Act. Directors shall be elected by the shareholders meeting from among the candidates, with a term of three years, and may be re-elected for consecutive terms.
- Among the number of directors mentioned in the previous paragraph, the number of independent directors shall not be less than three, and shall not be less than one-third of the total number of directors.
- The professional qualifications, shareholding, restrictions on concurrent positions, nomination and election methods, and other matters to be complied with for independent directors shall be in accordance with the relevant regulations of the securities regulatory authorities and the Corporation.
- Article 15-1: The Corporation may establish an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall be composed of all independent directors, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise.
- Article 16: When the number of vacancies in the Board of Directors reaches one-third, the board of directors shall convene an extraordinary shareholders meeting within sixty days to hold a by-election.

If an independent director of the Corporation is dismissed for any reason, resulting in the number of independent directors falling below the requirement of the Articles of Incorporation, the Corporation shall make up the shortfall at the next shareholders meeting. When all independent directors are dismissed, the Board of Directors shall convene an extraordinary shareholders meeting within sixty days to hold a by-election.

The term of office of the directors and independent directors elected to fill vacancies shall be limited to the remaining term of the original directors.

Article 17: The directors shall organize a board of directors. With the attendance of two-thirds or more of the directors and the consent of a majority of the attending directors, they shall elect one person as Chairman from among themselves, and may also elect one person as Vice Chairman.

Article 17-1 : The board of directors shall meet once every quarter. When convening a meeting, the reasons for the meeting shall be stated in the notice given to each director seven days in advance.

However, in case of emergency, a meeting may be convened at any time.

The notice of convening the board meeting may be made in writing, by fax, by electronic mail (E-mail), or by other electronic means in accordance with the provisions of the Company Act.

Article 18: The Chairman shall preside over the board of directors. When the Chairman is on leave or unable to exercise his/her powers for any reason, if a Vice Chairman has been appointed, the Vice Chairman shall act on his/her behalf. When there is no Vice Chairman or when the Vice Chairman is on leave or is unable to exercise authority for any reason, the Chairman shall designate one Director to act as proxy; If the Chairman has not designated an acting person, the directors shall elect one from among themselves to act on behalf of the Chairman.

Directors shall attend the board meetings in person. When a director appoints another director to attend the board meeting on his/her behalf, he/she shall issue a proxy for each meeting, specifying the scope of authorization with regard to the reasons for convening the meeting.

The proxy mentioned in the preceding paragraph shall be limited to representing one person only. When the board of directors holds a meeting, if it is conducted as a video conference, directors who participate in the meeting via video conference shall be deemed as attending in person.

Article 19: Resolutions of the board of directors shall require the attendance of a majority of directors and the approval of a majority of the attending directors.

Article 20: The Audit Committee is responsible for exercising the powers of supervisors as stipulated in the Company Act, Securities and Exchange Act, and other laws, and shall comply with relevant laws and company regulations.

Article 21: The Corporation may appoint managerial officers. Their appointment, dismissal, and remuneration shall be handled in accordance with the relevant provisions of the Company Act.

Article 22: The remuneration of directors shall be determined by the Board of Directors, taking into consideration their level of participation in the Corporation's operations, the value of their contribution, and with reference to industry standards both domestically and internationally. The Corporation may purchase liability insurance for independent directors, directors, and key officers during their terms of office, covering the legal liability for damages arising from the performance of their duties.

### **Chapter 5 Accounting**

Article 23: The Company shall, at the end of each fiscal year, have the Board of Directors prepare the following documents and, in accordance with statutory procedures, submit them to the Annual General Meeting of Shareholders for approval.

1. Business Report
2. Financial Statements
3. Proposal for profit distribution or loss offsetting

Article 24 If the Corporation has profits for the year, it shall allocate no less than 1% as employee compensation and no more than 3% as director compensation; if there are profits for the year, an additional allocation of no less than 1% shall be distributed as compensation for entry-level employees. Employee compensation and remuneration of directors shall be submitted to and reported at the shareholders meeting. However, if the Corporation still has accumulated losses, it shall retain the deficit amount in advance to offset it, and then allocate employee and director compensation based on the aforementioned percentages.

The employee compensation referred to above shall be distributed in stock or in cash by resolution of the Board of Directors. The recipients of payment shall include employees who are hired or employed by the Corporation and are formally appointed and enjoy labor insurance benefits. However, temporary and probationary personnel are not included.

Additionally, the recipients of employee compensation may include employees of subsidiaries that meet certain conditions.

Directors' remuneration is paid in cash.

Article 24-1 In the Corporation's annual financial statements show a surplus, taxes must first be paid, and any accumulated losses must be made up for. Afterward, ten percent of the surplus must be set aside as a legal reserve, unless the legal reserve has already reached the Corporation's paid-in capital. Additionally, special surplus reserves shall be set aside or reversed based on the company's operational needs and legal requirements. If there are remaining earnings, they shall constitute the distributable earnings for the current year, which, combined with the undistributed earnings at the beginning of the period, shall serve as the accumulated distributable earnings. The Board of Directors shall prepare an earnings distribution proposal and submit it to the shareholders' meeting for resolution and distribution.

The Company's dividend policy is formulated in accordance with current and future development plans, taking into account the investment environment, capital requirements, domestic and international competitive conditions, and the interests of shareholders. Under the premise that free cash flow is sufficient to support dividend distributions and loan repayment needs upon maturity, the Company shall allocate no less than fifty percent (50%) of the distributable earnings for the current year as shareholder dividends annually, of which cash dividends shall not be less than ten percent (10%) of the total dividends. However, the type and ratio of such earnings distribution may be adjusted by resolution of the shareholders' meeting based on the actual profit and financial conditions of the current year. In the event that the Company has no distributable earnings for the current year, or although there are earnings, the distributable earnings calculated in accordance with the above principles are significantly lower than the earnings actually distributed in prior years, the Company may distribute all or part of the capital reserves or undistributed earnings from prior periods in accordance with applicable laws and regulations or requirements of the competent authority; Furthermore, if the Company has significant non-recurring gains in its earnings for the current year, and such gains do not have corresponding cash income due to accounting principle factors such as differences in recognition timing or changes in valuation methods, the Company may retain all or part of such gains without being subject to the restrictions of the dividend distribution ratio or cash proportion principles set forth in this provision.

## **Chapter 6 Supplementary Provisions**

- Article 25: Matters not covered in these Articles of Incorporation shall be handled pursuant to the Company Act and other relevant laws and regulations.
- Article 26: The Corporation's organizational regulations, internal rules, and operational procedures shall be separately determined by resolutions of the Board of Directors.
- Article 27: The Articles of Incorporation were established on January 10, 1968. The first amendment was made on August 27, 1971; the second amendment on June 24, 1972; the third amendment on September 9, 1972; the fourth amendment on April 28, 1975; the fifth amendment on October 15, 1976; the sixth amendment on April 22, 1980; the seventh amendment on June 18, 1981; the eighth amendment on April 10, 1982; the ninth amendment on February 10, 1983; the tenth amendment on September 8, 1984; the eleventh amendment on October 19, 1985; the twelfth amendment on June 20, 1986; the thirteenth amendment on March 10, 1987; the fourteenth amendment on March 22, 1988; the fifteenth amendment on April 14, 1989; the sixteenth amendment on March 30, 1990; the seventeenth amendment on April 19, 1991; the eighteenth amendment on June 19, 1992; the nineteenth amendment on June 4, 1993; the twentieth amendment on June 16, 1994; the

twenty-first amendment on June 19, 1996; the twenty-second amendment on June 19, 1997; the twenty-third amendment on June 17, 1998; the twenty-fourth amendment on June 9, 1999; the twenty-fifth amendment on June 21, 2000; the twenty-sixth amendment on June 6, 2001; the twenty-seventh amendment on June 19, 2002; the twenty-eighth amendment on June 15, 2004; the twenty-ninth amendment on June 14, 2005; the thirtieth amendment on June 23, 2006; the thirty-first amendment on June 15, 2010. The thirty-second amendment was made on June 20, 2014. The thirty-third amendment was made on June 24, 2015. The thirty-fourth amendment was made on June 20, 2016. The thirty-fifth amendment was made on June 22, 2017. The thirty-sixth amendment was made on June 6, 2019. The thirty-seventh amendment was made on June 23, 2020. The thirty-eighth amendment was made on May 30, 2022. The thirty-ninth amendment was made on June 3, 2025. The fortieth amendment was made on May 28, 2026

Leofoo Development Co., Ltd.

Chairman: Feng-Ru Chuang

