

Articles of Incorporation of KMC (Kuei Meng) International Inc.

Chapter 1 General Provisions

Article 1: The Corporation shall be incorporated under Company Act and its name shall be KMC (Kuei Meng) International Inc. in English language.

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

- I. CC01060 Wired Communication Equipment and Apparatus Manufacturing
- II. CC01070 Telecommunication Equipment and Apparatus Manufacturing
- III. CC01101 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing
- IV. F401010 International Trade
- V. CC01110 Computers and Computing Peripheral Equipment Manufacturing
- VI. F114030 Wholesale of Automotive and Motorcycle Parts and Supplies
- VII. F214030 Retails of Automotive and Motorcycle Parts and Supplies
- VIII. CD01040 Motor Vehicles and Parts Manufacturing
- IX. CD01050 Bicycle and Parts Manufacturing
- X. CD01990 Other Transportation and Parts Manufacturing
- XI. F114040 Wholesale of Bicycle Parts and Supplies
- XII. F114990 Wholesale of Other Transportation Equipment and Parts.
- XIII. F214040 Retails of Bicycles and Parts
- XIV. F214990 Retails of Other Transport Equipment and Parts
- XV. ZZ99999 Other business items that are not prohibited or restricted by law.

Article 2, Section 1: The Corporation shall authorize its Board of Directors to reinvest relative business, and the total amount of the Corporation's reinvestment shall not be subject to the restriction of not exceed forty percent of the Corporation's paid-up capital as provided in Article 13 of Company Act.

Article 2, Section 2: The Corporation may make external endorsements and guarantees depending on business needs.

Article 3: The Corporation has held its head office in Tainan City, Republic of China. Upon approval of government authorities in charge, the Corporation can set up branch offices or representative offices at locations within or without the territory of Republic of China.

Article 4: Public announcements of the Corporation shall be made in accordance with Article 28 of Company Act.

Chapter 2 Capital Stock

Article 5: The total capital stock of the Corporation shall be in the amount of two billion (2,000,000,000) New Taiwan Dollars, divided into two hundred million (200,000,000) shares, at ten New Taiwan Dollars, and may be paid-up in installments. The Corporation has authorized the Board of Directors to issue the reserved capital stock paid-up in installment depending on business needs. A total of 16 million (16,000,000) shares among the above mentioned total capital stock should be

reserved for issuing employee stock options or for being used as Corporate bond with warrant.

Article 6: The share certificates of the Corporation shall all be name-bearing share certificates, bearing with the signatures or seals by at least three Directors and issued in accordance with Company Act.

After the Corporation has officially listed on stock exchange, the Corporation may issue shares without printing share certificates.

Article 6, Session 1: The Corporation may merge the share certificates specified with large quantities under the request made by Taiwan Depository & Clearing Corporation.

Article 6, Session 2: The Corporation shall comply with relevant provisions of government authorities in charge whenever managing the matters of its capital stock.

Article 7: Registration for transfer of shares shall be suspended sixty (60) days before the date of regular meeting of shareholders, or thirty (30) days before the date of any special meeting of shareholders, or within five days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Corporation.

Chapter 3 Shareholder's meeting

Article 8: Shareholder's meetings are of two types, the regular meetings and special meetings. Regular meetings shall be convened by the Board of Directors within six (6) months after the close of each fiscal year. Special meetings shall be convened in accordance with the relevant laws, rules and regulations.

Article 9: If a shareholder is unable to attend a meeting, he/she may appoint a representative to attend it to exercise on his/her behalf holding the power of attorney bearing the signature or seal clearly specifies the scope of representation.

Article 10: Each share of stock of the Corporation shall be entitled to one vote except the circumstances set forth in the Article 179 of Company Act.

Article 11: The resolution of the shareholders' meeting shall be in accordance with Company Act. In addition, the meeting should be attended by more than a half of the shareholders represent the total number of its outstanding shares, and the resolution shall be adopted by a half of the shareholders at the meeting.

Chapter 4 Directors and Supervisors (Financial Advisors)

Article 12: The Corporation shall have five to seven Directors, two to three Supervisors (Financial Advisors) whose term of office is three (3) years. And the Directors shall be elected in the shareholder's meeting, and all Directors shall be eligible for re-election.

Article 12, Session 1: The Board of Directors must have at least two independent Directors. Directors and Supervisors (Financial Advisors) shall be elected by adopting candidates nomination system as specified in Article 192-1 of Company Act. The nomination of Directors and related announcement shall comply with the relevant regulations including Company Act and Securities and Exchange Act. The election

of independent Directors and non-independent directors shall be held together provided the number of independent Directors and non-independent Directors elected shall be calculated separately.

Article 13: The Directors shall elect from among themselves a Chairman of the Board of Directors in a meeting attended by over two-third of the Directors. Depending on business needs, the Directors may elect a Vice Chairman of the Board of Directors. The Chairman of the Board of Directors shall be the Chairman of the shareholder's meeting internally and the representative of the Corporation externally.

Article 14: In case the Chairman of the Board of Directors is absent (due to taking leaves), the Vice Chairman of the Board of Directors shall be acting for him/her. In case there's no Vice Chairman of the Board of Directors, or the Vice Chairman of the Board of Directors is absent (due to taking leaves), the Chairman of the Board of Directors may appoint another Director to attend the meeting on his/her behalf. In case of no appointment, the Directors can elect a Director act as proxy.

Article 15: Director shall attend the meetings; in case a director is not able to attend the meeting, he/she may, by written authorization, appoint another Director to attend on his/her behalf; the Director who represents the absent Director shall not act as proxy for more than one other Director.

Article 16: The Board of Directors is authorized to determine the salary for all the Directors and Supervisors (Financial Advisors) by taking into account the extent and value of the services provided for the management of Corporation and the standards of the Industry nationwide and worldwide.
The remuneration to independent Directors and Supervisors (Financial Advisors) adopts regular amount.

Article 16, Session 1: The company may purchase liability insurance for the Directors and Supervisors (Financial Advisors) to reduce the risk of being sued by shareholders or other related people.

Article 17: The functions of the Board of Directors are as follows:

1. Review the operation principles and the mid-term and long-term development plan.
2. Review and supervise the execution of the business plan.
3. Review the budget proposal and resolution.
4. Review the capital increase/decrease plan.
5. Review the solution for distribution of surplus or using to surplus to cover deficits.
6. Review the important external contracts.
7. Review the existing or revised articles of incorporation.
8. Review and approve the organizations and rules of the Corporation and important business rules.
9. Review and approve the establishment, reorganization or revocation of branch offices or representative offices.
10. Review and approve major plans of capital expenditure.
11. Appoint or discharge the managerial personnel.
12. Execute all resolution adopted at the shareholder's meeting.

13. Review the proposals drawn up by the managerial personnel.
14. Convene the shareholder's meeting and business report.
15. Manage all the other matters in accordance of Company Act.

Article 18: The functions of the supervisors (Financial advisors) are as follows:

1. Checking the final accounts.
2. Monitor the Corporation's business and financial status and is authorized to request the Board of Directors to propose reports as needed.
3. Convene the special shareholder's meeting in accordance with Company Act as needed.
4. Manage all the other matters in accordance of Company Act.

Chapter 5 Managerial personnel

Article 19: The Corporation may appoint one or more managerial personnel. Appointment, discharge and remuneration of the managerial personnel shall be decided in accordance with the provisions provided in Article No. 29 of Company Act.

Chapter 6 Accounting (Financial Report)

Article 20: After the close of each fiscal year, the following reports shall be prepared by the Board of Directors: 1. Business Reports; 2. Financial Statements; 3. Proposals Concerning distribution of surplus or covering of losses. All the prepared reports shall be submitted to the regular shareholder's meeting for acceptance.

Article 21: In case there is surplus after the close of each fiscal year, the Corporation shall allocate 0.5~5% as the remuneration for employees and the remuneration may be distributed by ways of stock dividend or cash dividend. The subjects of the distribution shall include the employees of the subordinate company with certain conditions and proportion of the distribution authorized by the Board of Directors.

Less than 3% of above mentioned earnings of the Corporation can be distributed as the remuneration for the Directors and Supervisors (Financial Advisors) in accordance with the resolution of the Board of Directors. The subject of the distribution shall not include the managerial personnel who act as proxy of the Directors. The distribution of remuneration to employees, Directors and Supervisors (Financial Advisors) shall be reported at the shareholder's meeting. In case the Corporation still has accumulated losses, a certain amount of earnings shall be reserved before the distribution of remuneration to employees, Directors and Supervisors (Financial Advisors) in accordance with the proportion mentioned in the preceding paragraph.

Article 21, Section 1: In case there is surplus in the fiscal year, after paying taxes in accordance with the laws and offset the losses, the Corporation shall set aside 10% as legal capital reserves. In case the statutory reserves have equaled the total paid-in capital of the Corporation, no allocation shall be made. Then, set aside special capital reserve in accordance with relevant laws or regulations; in case there are earnings left over, the Board of Directors shall propose the plan of distribution of surplus to the shareholder's meeting for approval.

The industrial development of the Corporation is undergoing the business expansion phase and in great demand for funds; consequently, the distribution of surplus should be made in accordance with Company Act and the Corporation's articles of incorporation subject to the management of Corporation's capital and

the business performance before determining the method of stock dividend. The principle of stock dividend shall follow the stability and balance policy, and the method of stock dividend (cash dividend or stock dividend) and the amount will be proposed by the Board of Directors in accordance with the business results, financial status and the management of capital before adopted by the annual regular shareholders meeting. In accordance with the dividend policy of the Corporation, the annual allocation of surplus to the shareholders shall not be less than 20%, the method of dividend can be made by cash or stock. While the cash dividend shall not be less than 20% of the total amount of cash and stock dividend.

Chapter 7 Annex

Article 22: The Organization Procedure of the Corporation may be set separately.

Article 23: Unsettled matters not included in the article of incorporation shall be managed in accordance with the provisions of Company Act.

Article 24: The Statute was established on February 20th, 1989.

The first revised edition of the statute was made on October 12th, 1989.

The second revised edition of the statute was made on November 11th, 1990.

The third revised edition of the statute was made on December 9th, 1990.

The fourth revised edition of the statute was made on June 15th, 1991.

The fifth revised edition of the statute was made on July 4th, 1991.

The sixth revised edition of the statute was made on June 12th, 1992.

The seventh revised edition of the statute was made on June 4th, 1993.

The eighth revised edition of the statute was made on April 15th, 1994.

The ninth revised edition of the statute was made on April 28th, 1995.

The tenth revised edition of the statute was made on May 17th, 1996.

The eleventh revised edition of the statute was made on June 12th, 1997.

The twelfth revised edition of the statute was made on May 14th, 1998.

The thirteenth revised edition of the statute was made on May 26th, 2000.

The fourteenth revised edition of the statute was made on June 20th, 2002.

The fifteenth revised edition of the statute was made on June 25th, 2004.

The sixteenth revised edition of the statute was made on May 3rd, 2007.

The seventeenth revised edition of the statute was made on June 22nd, 2009.

The eighteenth revised edition of the statute was made on June 4th, 2010.

The nineteenth revised edition of the statute was made on October 4th, 2011.

The twentieth revised edition of the statute was made on June 21st, 2012.

The twenty-first revised edition of the statute was made on June 25th, 2013.

The twenty-second revised edition of the statute was made on June 24th, 2014.

The twenty-third revised edition of the statute was made on June 24th, 2016.

The twenty-fourth revised edition of the statute was made on June 23rd, 2017.