

Stock Code: 6666

Luo Lih-Fen Holding Co., Ltd.

Shareholders' Regular  
M e e t i n g 2 0 1 9  
MEETING AGENDA  
H A N D B O O K

Time of Shareholders' Meeting

10:00 a.m., June 18, 2018 (Tuesday)

Venue of Shareholders' Meeting

9F, No. 390 Fuhsing South Road, Section 1, Taipei City

(The First Conference Room of Federation of Industries)

The English version is the translation of the Chinese version and if there is any conflict between the meaning of terms in the Chinese version and English translation, the meaning of the Chinese version shall prevail.

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**One. Procedures of the Meeting**

**Luo Lih-Fen Holding Co., Ltd.**  
**Procedures of Shareholders'**  
**Regular Meeting 2019**

I Call the Meeting to Order

II Opening Speech by the Chairperson

III Issues Posed for Reporting

IV Issues Posed for Discussion

V Issues Posed for Acknowledgement

VI Extraordinary (Unscheduled) Motions

VII Adjournment of the Meeting

## **Two. Agenda of the Meeting**

# **Luo Lih-Fen Holding Co., Ltd.**

## **Agenda for Shareholders' Regular Meeting 2019**

**Time: 10:00 a.m. , June 18, 2018 (Tuesday)**

**Venue: 9F, No. 390 Fuhsing South Road, Section 1, Taipei City  
(The First Conference Room of the National Federation of Industries)**

### **Call the Meeting to Order**

### **Opening Speech by the Chairperson**

### **Agenda of the Meeting**

#### **I. Issues Posed for Reporting**

- (1) Business Report for the Year 2018.
- (2) Audit Committee's Review Report for the Year 2018.
- (3) Proposal of the Company's "Evaluation of Performance By the Board of Directors" 2018.
- (4) Report of the Allocation of Remuneration to Employees, Directors, and Supervisors 2018.
- (5) Revisions to the Company's "Rules of Procedures Governing the Board of Directors".
- (6) Reports About Insurance Purchased for Directors and Managerial Officers.

#### **II. Issues Posed for Acknowledgement**

- (1) Business Report and Financial Statements for the Year 2018.
- (2) Allocation of the Company's Earnings of the Year 2018.

### **III. Issues Posed for Discussion**

- (1) Proposal for Amendment to the Company's "Articles of Incorporation".
- (2) Proposal for Amendment to the Company's "Rules of Procedures Governing Shareholders' Meetings".
- (3) Proposal for Amendment to the Company's "Regulations Governing the Election of Directors".
- (4) Proposal for Amendment to the Company's "Procedures for the Acquisition or Disposal of Assets".
- (5) In coordination with allocation of the Company's earnings in 2018, it is proposed that the Company's earnings should be appropriated into capital for issuance of new shares.

### **IV. Extraordinary (Unscheduled) Motions**

### **V. Adjournment of the Meeting**

## **I. Issues Posed for Reporting**

Issue No. I

Subject Issue: Business Report for the Year 2018.

Description:

- (1) For more details regarding the Company's Business Report for the Year 2018, please refer to Appendix I annexed hereto.
- (2) The present issue is duly posed into the report.

Issue No. II

Subject Issue: Audit Committee's Review Report for 2018.

Description:

- (1) For more details regarding the 2018 Audit Committee's Review Report please refer to Appendix II annexed hereto.
- (2) The present issue is duly posed into the report.

Issue No. III

Subject Issue: Proposal of the Company's "Evaluation of Performance By the Board of Directors" 2018.

Description:

- (1) Exactly in accordance with the Company's "Regulations Governing Evaluation of Performance By the Board of Directors", the Company has duly evaluated performance by all members of the Board of Directors and the entire Board of Directors. The outcome indicates that in 2018, the entire Board of Directors proved to have performed well and effectively.
- (2) The present issue is duly posed into the report.

#### Issue No. IV

Subject Issue: Report of the allocation of remuneration to employees, directors, and supervisors 2018.

Description:

- (1) Exactly as set forth under Article 100 of the Company's Articles of Incorporation, where the Company operates a profit in a fiscal year, a sum of 1% minimum shall be amortized as remuneration to employees and a sum of 3% maximum shall be remuneration to directors. Where the Company continues to sow outstanding accumulated losses, nevertheless, the Company should make good on the amount of the outstanding loss.
- (2) In response to the proposal posed by the Remuneration Committee in its second meeting of Session One, a sum of NT\$4,500,000 has been amortized as remuneration to employees in Year of 2018 and a sum of NT\$9,120,000 has been amortized as remuneration to directors and supervisors, accounting for 1% and 2% of the Company's earnings as officially audited by the Certified Public Accountants 2018. All such sums are to be allocated in full in cash.
- (3) The present issue is duly posed into the report.

#### Issue No. V

Subject Issue: Revisions to the Company's "Rules of Procedures Governing the Board of Directors".

Description:

- (1) In coordination with the "Examination Table for Foreign Issuers on Protection Over Their Shareholders' Equity at the Venues of Registration" promulgated by the Taiwan Stock Exchange Corporation (TWSE) and requirements promulgated by the competent authority(ies) regarding laws and ordinances concerned, it is proposed that the Company's "Rules of Procedures Governing the Board of Directors" should be updated to meet substantial needs.
- (2) For more details of the Comparative Table of the Contents of Pre-Amendment and Post-Amendment, please refer to Appendix No. III.
- (3) The present issue is duly posed into the report.

#### Issue No. VI

Subject Issue: Reports about insurance purchased for directors and managerial officers.

Description:

- (1) For the Company's directors and managerial officers regarding the potential risks for indemnity amidst their performance of duties within their respective tenures of office, the Company should purchase liability insurance to secure them.
- (2) The Company's directors and managerial officers have been duly undertaken for insurance by Fubon Insurance Co., Ltd. in the insurance amount of US\$3 million.
- (3) For all insurance issues upon Company's directors and managerial officers, it is proposed that the Chairperson be bestowed with plenipotentiary power to take charge of and to execute the insurance contract(s) concerned on behalf of the Company.
- (4) The present issue is duly posed into the report.

## **II. Issues Posed for Acknowledgement**

Issue No. I 【Posed by the Board of Directors】

Subject Issue: The Company's Business Report and Financial Statements for the Year 2018.

Description:

- (1) The Company's Business Report for the Year 2018 had been granted a pass in the Company's Board of Directors, and submitted to the Audit Committee which has completed the review process and issued the Review Report.
- (2) The Company's Financial Statements for the Year 2018 were duly worked out, and duly audited in full by Certified Public Accountant Weng Shih-Jung and Certified Public Accountant Lin Chun-Yao of PricewaterhouseCoopers Taiwan whose Audit Report was submitted to and duly reviewed by the Audit Committee with the Audit Report duly issued.
- (3) Please find enclosed herewith the Business Report for the Year 2018. For more details, please refer to Appendix No. I.
- (4) Please find enclosed herewith the Certified Public Accountants' Audit Report and Financial Statements for the Year 2018. For more details, please refer to Appendix No. IV.
- (5) Please duly acknowledge as appropriate.

Decision Duly Resolved:



Issue No. II 【Posed by the Board of Directors】

Subject Issue: Allocation of the Company's earnings of the Year 2018.

Description:

- (1) The Company's Financial Statements as of 2018 were checked and verified by the Certified Public Accountants, with confirmed earnings of 2018 in an amount of NT\$431.247 million, with accumulated allocable earnings in an amount of NT\$393.984 million. For more details of the Company's Allocation of Earnings in 2018, please refer to Appendix No. V annexed hereto.
- (2) In the present allocation of earnings, each common share is allocated with a NT\$7 cash dividend and NT\$1 stock dividend, with the aggregate total of earnings to be allocated amounting to NT\$344.640 million, with cash dividends to be counted *pro rata* to the whole number of New Taiwan Dollars and the aggregate total of the parts less than one New Taiwan Dollar in full shall be counted into other income of the Company.
- (3) In the present allocation of earnings, in the event that the Company exercises treasury stocks, launches capital increase, or in the case of a change in other laws and ordinances concerned that would affect the aggregate total of the Company's outstanding shares, it is proposed that the Board of Directors should be bestowed with plenipotentiary power to adjust the allocation ratio based on the aggregate total of earnings to be allocated as resolved in the present Shareholders' Meeting and based on the number of outstanding shares.
- (4) For the present allocation of earnings, after the issue is duly resolved in the Shareholders' Meeting, the Board of Directors is bestowed with plenipotentiary power to reschedule the base day of dividend allocation and such issues concerned.
- (5) Please duly acknowledge as appropriate.

Decision Duly Resolved:

### **III. Issues Posed for Discussion**

#### **Issue No. I 【Posed by the Board of Directors】**

**Subject Issue:** Proposal for amendment to the Company's "Articles of Incorporation".

**Description:**

- (1) In coordination with the “Examination Table for Foreign Issuers on Protection Over Their Shareholders’ Equity at the Venues of Registration” promulgated by the Taiwan Stock Exchange Corporation (TWSE) and requirements promulgated by the competent authority(ies) regarding laws and ordinances concerned, it is proposed that the Company's Memorandum of Organization and the Articles of Incorporation should be updated to meet substantial needs.
- (2) For the Comparative Table of Contents of Pre-Amendment and Post-Amendment, please refer to Appendix No. VI annexed hereto.
- (3) The present issue has been duly resolved by the Company's Board of Directors and is herewith submitted to the Shareholders’ Meeting for discussion.
- (4) Please duly discuss as appropriate.

**Decision Duly Resolved:**

#### **Issue No. II 【Posed by the Board of Directors】**

**Subject Issue:** Proposal for amendment to the Company's "Rules of Procedures Governing Shareholders’ Meetings".

**Description:**

- (1) In coordination with the Examination Table for Foreign Issuers on Protection Over Their Shareholders’ Equity at the Venues of Registration” promulgated by the Taiwan Stock Exchange Corporation (TWSE) and requirements promulgated by the competent authority(ies) regarding laws and ordinances concerned, it is proposed that the Company's "Rules of Procedures Governing Shareholders’ Meetings" should be updated to meet substantial needs.
- (2) For more details of the Comparative Table of Contents of Pre-Amendment and Post-Amendment, please refer to Appendix No. VII.
- (3) The present issue has been duly resolved by the Company's Board of Directors and is herewith submitted to the Shareholders’ Meeting for discussion.
- (4) Please duly discuss as appropriate.

**Decision Duly Resolved:**

Issue No. III 【Posed by the Board of Directors】

Subject Issue: Proposal for amendment to the Company's "Regulations Governing the Election of Directors".

Description:

- (1) In coordination with the Examination Table for Foreign Issuers on Protection Over Their Shareholders' Equity at the Venues of Registration" promulgated by the Taiwan Stock Exchange Corporation (TWSE) and requirements promulgated by the competent authority(ies) regarding laws and ordinances concerned, it is proposed that the Company's "Regulations Governing the Election of Directors" should be updated to meet substantial needs.
- (2) For more details of the Comparative Table of Contents of Pre-Amendment and Post-Amendment, please refer to Appendix No. VIII.
- (3) The present issue has been duly resolved by the Company's Board of Directors and is herewith submitted to the Shareholders' Meeting for discussion.
- (4) Please duly discuss as appropriate.

Decision Duly Resolved:

Issue No. IV 【Posed by the Board of Directors】

Subject Issue: Proposal for amendment to the Company's "Procedures for the Acquisition or Disposal of Assets".

Description:

- (1) With reference to Financial Supervisory Commission official letter No. 1070341072 issued on November 26, 2018, it is proposed that the Company's "Procedures for the Acquisition or Disposal of Assets" (including derivative financial instruments) should be partially amended.
- (2) For more details of the Comparative Table of Contents of Pre-Amendment and Post-Amendment, please refer to Appendix No. IX.
- (3) The present issue has been duly resolved by the Company's Board of Directors and is herewith submitted to the Shareholders' Meeting for discussion.
- (4) Please duly discuss as appropriate.

Decision Duly Resolved:

Issue No. V 【Posed by the Board of Directors】

Subject Issue: In coordination with allocation of the Company's earnings in 2018, it is proposed that the Company's earnings should be appropriated into capital for issuance of new shares.

Description:

- (1) Taking into account the substantial need for business development in the future, it is proposed that out of the allocable earnings in 2018, a sum of NT\$43,080,000 stock dividend should be converted into capital increase to issue new shares (4,308,000 common shares) at NT\$10 par value.
- (2) The new common shares so issued in the present capital increase bear rights and obligations exactly same as those borne by the original shares, to be delivered by means of book-entry transfer. After the present issue is approved by the competent authority, the base day for share allocation shall be separately fixed. Exactly based on the numbers of shares shown through the register of shareholders, each one thousand shall be allocated with 100 shares as complimentary bonus shares. For odd shares less than one share each, the shareholders may add up to whole numbers at their discretion within five (5) days from discontinuance from ownership transfer registration and then apply to the Company's share administration agent for registration. For a shareholder who fails to add up to a whole within the specified time limit and for final odd shares which cannot be added up to a whole number after the adding-up process, payment shall be made in cash to the nearest whole number of New Taiwan Dollars (fractions less than one whole number are discarded) for which the Chairperson is bestowed with plenipotentiary power to approach specific people to subscribe to at the carrying amount. In the event that a competent authority amends the term or an amendment proves indispensable amidst the objective circumstances, the Shareholders' Meeting shall propose to bestow the Board of Directors with plenipotentiary power for actions as necessary.
- (3) In the case of a change in the Company's capital hereafter that may affect the number of outstanding shares, leading to a change in the share allocation ratio to shareholders, the Shareholders' Meeting shall propose to bestow the Board of Directors with plenipotentiary power for actions as necessary.
- (4) The present issue has been duly resolved by the Company's Board of Directors and is herewith submitted to the Shareholders' Meeting for discussion.
- (5) Please duly discuss as appropriate.

Decision Duly Resolved:

#### IV. Extraordinary (Unscheduled) Motions

#### V. Adjournment of the Meeting

## Business Report

The outcome of business performance of Luo Lih-Fen Holding Co., Ltd. (hereinafter referred to as the Company) in 2018 and its business operation plan for 2019 are herewith reported as follows:

### I. Performance By the Company in 2018

#### ( I ) Results of Enforcement of the Business Operation Plans:

In 2018, the Company's consolidated operating revenue reached NT\$1.358184 billion, growing by 56.37% over the NT\$868.559 million operating revenue in 2017. The net profit after tax reached NT\$431.247 million, growing by 79.68% over the NT\$240.015 million net profit after tax in 2017. In terms of target markets, the operating revenue earned in Mainland China came to NT\$1.358184 billion, accounting for 100.00% of the operating revenue. To put it in more understandable terms, Mainland China remains the largest market and the highlighted stronghold for the Company.

#### ( II ) Analyses on Financial Revenues and Expenditures and Profitability:

In terms of financial revenue and expenditures and financial structure, in 2018, the Company showed the debt ratio of 19.98%, current ratio of 453.28%, with net profitability of 31.75%, and cash inflow in operating activities amounting to NT\$505.960 million. These figures endorse that the Company has adequate cash flows and a sound financial structure.

#### ( III ) Performance in Research and Development:

For the Company's prime products, the Company has carried out research and development in two aspects, i.e., self-research and development, and the efforts to look into customers regarding their anticipation and requirements of cosmetics.

Where consumers tend to change their requirements from time to time and where the global climate changes at an increasingly significant rate, people become more and more concerned about environmental protection, an organic lifestyle, and better health care. As a natural result, consumers become increasingly concerned about the very origin of the raw materials and ingredients of their beauty care cosmetics which must come from natural plants. These consumers expect that all raw materials should be procured and manufactured locally. All such cosmetic ingredients are assured safe, secure, pure, and free of allergic substances for their use in beauty care. These key facts represent exactly our sound orientation as we conduct research and development and manufacture our popular products.

These botanical raw materials are processed through extracting and fermentation. Where certain botanic ingredients tend to become oxidized into an unsound stability, we have successfully, through profound research and development efforts, developed lyophilized powder know-how to assure raw material stability up to our requirements.

In January 2018, the Company teamed up with Zhongjing Biotechnology Co., Ltd. (中晶生物) in researching stem cell culture. In the days and years ahead, the Company

will use such technology and know-how to make better raw materials and a better Luo Lih-Fen for tomorrow.

## II. Operating Plan for 2019 in Brief:

### ( I ) Business Policies:

『 Starting from the “Core”, you shall become better than better 』

"Core" represents the very focus of the competitive edge accumulated by Luo Lih-Fen Holding Co., Ltd. for more than 30 years as the very core momentum toward a more brilliant Luo Lih-Fen tomorrow. Such core competitive edge includes scientific research, professional expertise, products, services, information and data, and sound flows. Upon the initial foundation, we include added core momentum to expand externally into diversified, comprehensive links to fulfill the more brilliant win-win promise!

### ( II ) Anticipated Sales Volumes and Their Grounds:

In 2019, we shall closely team up with upstream and downstream partners for firm implementation of key strategies: "Red-hot Product Strategy", "Giant Whale Strategy", and "All-Season Marketing". Pursuant to the respective market share held by the Company, we shall accomplish the targets of growth, including:

1. **Glingluo:** The most mature brand of Luo Lih-Fen in facial care, excellently popular among terminal beauty parlors. So far, we have successfully set up Project groups for high-end consumers in beauty parlors with gene customized production to launch overall sales performance and, in turn, handsome profitability.
2. **Sunlily:** This is the second facial care brand of Luo Lih-Fen, well popularized for beauty parlors. We shall put forth maximum possible efforts for more profound penetration. Very naturally, customers in beauty parlors will double input volumes into promising sales for Luo Lih-Fen.
3. **Draise:** The most up-to-date facial-care brand name which came into being in 2015. It is at the moment still in the out-bursting phase, and not well available to quite a few provinces in China. It still holds significant room for further promotion in terminal beauty parlors. It stands as the key brand for future sales.
4. A new project in health-care: We are scheduled to launch a science and technology-based health-care brand in the second quarter. At the moment, all teammates for this prospective brand have been arranged. Upon completion of the brand launch, we anticipate successfully marketing this new brand toward five to eight provinces in China.
5. Great Exploit League—Strategic Beauty Partner Parlors: For existent beauty parlors which traditionally launch three purchases annually, we will try to execute their purchase orders in unit value over one million Renminbi (RMB) in coordination with the Company, and we shall accomplish closer teamwork amidst the marketing systems.

### III. Future Corporate Development Strategies:

#### (I) Continued Efforts to Launch Our Brands among Different Kinds of Media:

1. Chairwoman Luo Lih-Fen and sole and exclusive celebrity brand representative Christy Chung have completed production of the advertising commercial which is scheduled to launch on satellite and CCTV International channels in China in the first half of 2019, virtually combining Luo Lih-Fen with a noted celebrity.
2. Other than existing advertising channels, we shall contract new mass media in the second quarter of 2019 to make Luo Lih-Fen further and better known to terminal consumers into beauty parlors.

#### (II) Research and Development Efforts for New Startup Products:

1. Continually without interruption, we shall strive for natural plants extracts, with a minimum of two new inventions/patents to be used in relevant products in each and every year.
2. We shall team up with Zhongjing Biotechnology Co., Ltd. (中晶生物) in the research and development of stem cell storage equipment technology and know-how, and to use the technology and know-how so developed in topnotch products.

#### (III) Marketing and Logistic E-management:

1. We shall invest in informationized construction, “ERP” for "one-thing one-code" among logistic channels, linkage in terminal beauty parlors for a "unified sales mechanism" through workforce management, financial information, logistic administration, production control flowcharts, supplier management, and a sales channel management to integrate the upper and lower streams into overall Internet linkage.
2. By means of WeChat programming and public membership online management, jointly link merchants, memberships, transactions, marketing, and interactions to provide cross-channel and high-quality service to consumers.

**Review Report by the Audit Committee**

Amidst the Business Report, Financial Statements and allocation of the earnings worked out by the Board of Directors, the Financial Statements had been duly audited by Certified Public Accountant Weng Shih-Jung and Certified Public Accountant Lin Chun-Yao of PricewaterhouseCoopers Taiwan who, in turn, duly issued the Audit Report with unqualified (unreserved) opinion . All the aforementioned documents worked out by the Board of Directors have been duly audited by the Audit Committee and proven without anything inappropriate. This Report is, therefore, issued in accordance with Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act prevalent in the Republic of China on Taiwan.

Attn.: The Shareholders' Regular Meeting 2019 of Luo Lih-Fen Holding Co., Ltd.

Luo Lih-Fen Holding Co., Ltd.  
Audit Committee



Convener: Chou Hsiao-Ling (Signed)

A handwritten signature in blue ink, corresponding to the name Chou Hsiao-Ling.

March 15, 2019



## Rules of Procedures Governing the Board of Directors Pre-amendment and Post-amendment Contents in Comparison

Post-amendment Contents	Pre-amendment Contents
<p><b>Article I. Objectives</b></p> <p>These Rules of Procedures Governing the Board of Directors are duly enacted in accordance with Article 2 of the "Regulations Governing Procedures for the Board of Directors Meetings of Public Companies" prevalent in <u>Taiwan</u> to set up a sound Board of Directors governance system and assure sound supervisory functions and strengthen managerial mechanisms.</p>	<p><b>Article I. Objectives</b></p> <p>These Rules of Procedures Governing the Board of Directors are duly enacted in accordance with Article 2 of the "Regulations Governing Procedures for the Board of Directors Meetings of Public Companies" to set up a sound Board of Directors governance system and assure sound supervisory functions and strengthen managerial mechanisms.</p>
<p><b>Article II. Scope of Application</b></p> <p>These Rules of Procedures Governing the Board of Directors shall govern the Company's rules of procedure for meetings of the Board of Directors, contents of meeting affairs, operating procedures, and particulars required under the minutes of the meeting unless <u>otherwise specified in the Company's Articles of Incorporation.</u></p>	<p><b>Article II. Scope of Application</b></p> <p>These Rules of Procedures Governing the Board of Directors shall govern the Company's rules of procedure for meetings of the Board of Directors, contents of meeting affairs, operating procedures, and particulars required under the minutes of the meeting.</p>
<p><b>Article VII. The Chairperson of a Board of Directors Meeting and the Substitute Thereof</b></p> <p>I. The Company's Board of Directors meeting shall be duly convened and chaired by the Chairperson. The first Board of Directors meeting of every Session, nevertheless, shall be convened by the director who won the most election ballots in the meeting and shall be chaired by that same convener. Where there are two or more conveners, one shall be elected from among themselves to chair the meeting.</p> <p>II. Where the Chairperson is on leave or unavailable to perform their duties, the Chairperson shall appoint one director to</p>	<p><b>Article VII. The Chairperson of a Board of Directors Meeting and the Substitute Thereof</b></p> <p>I. The Company's Board of Directors meeting shall be duly convened and chaired by the Chairperson. The first Board of Directors meeting of every Session, nevertheless, shall be convened by the director who won the most election ballots in the meeting and shall be chaired by that same convener. Where there are two or more conveners, one shall be elected from among themselves to chair the meeting.</p> <p>II. Where the Chairperson is on leave or unavailable to perform their duties, <u>the Vice Chairperson shall act as his/her is substitute. Where there is no Vice</u></p>

<p>act as his/her substitute. Where the Chairperson does not appoint a substitute, one shall be elected from among the directors to act as the substitute.</p>	<p><b><u>Chairperson or where the Vice Chairperson is on leave or unavailable to perform their duties</u></b>, the Chairperson shall appoint one director to act as his/her substitute. Where the Chairperson does not appoint a substitute, one shall be elected from among the directors to act as the substitute.</p>
<p><b>Article XII. Issues Which Should be Posed in the Board of Directors for Discussion</b></p> <p><b><u>The Company's Board</u></b> of Directors shall be attended by a minimum of one independent director in person; in the case of an issue set forth under Paragraph 1 of this Article which should be posed to the Board of Directors for a decision, all independent directors shall participate in the Board of Directors meeting in person in full. An independent director who is unavailable to participate in a Board of Directors meeting in person shall commission another independent director to participate in the meeting as his or her proxy. Where an independent director objects or voices a reserved opinion, it shall be expressly remarked in the minutes of the Board of Directors meeting. In the event that an independent director is unavailable to participate in a Board of Directors meeting to voice his or her objection or reserved opinion, that opinion should be posed in writing beforehand and shall be expressly remarked in the minutes of the Board of Directors meeting.</p>	<p><b>Article XII. Issues Which Should be Posed in the Board of Directors for Discussion</b></p> <p>There should be a minimum of one independent director to participate in <b><u>the Board of Directors</u></b> meeting in person; in the case of an issue set forth under Paragraph 1 of this Article which should be posed to the Board of Directors for a decision, all independent directors shall participate in the Board of Directors meeting in person in full. An independent director who is unavailable to participate in a Board of Directors meeting in person shall commission another independent director to participate in the meeting as his or her proxy. Where an independent director objects or voices a reserved opinion, it shall be expressly remarked in the minutes of the Board of Directors meeting. In the event that an independent director is unavailable to participate in a Board of Directors meeting to voice his or her objection or reserved opinion, that opinion should be posed in writing beforehand and shall be expressly remarked in the minutes of the Board of Directors meeting.</p>
<p><b>Article XV. System for Avoidance of Conflicts of Interest for Directors</b></p> <p>I. In the event that any director or a juristic person represented by a director is an interested party with respect to any agenda item, that director shall state the important aspects of the interested party relationship at the respective meeting. <b><u>A spouse, blood relative within the second degree of kinship as defined under the Civil Code of the Republic of China, or a company in a control</u></b></p>	<p><b>Article XV. System for Avoidance of Conflicts of Interest for Directors</b></p> <p>I. In the event that any director or a juristic person represented by a director is an interested party with respect to any agenda item, that director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the Company, that director shall not participate in</p>

<p><b><u>affiliation relationship with that director shall be deemed in an interested relationship on that issue.</u></b></p> <p>When the relationship is likely to prejudice the interests of the Company, that director shall not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.</p>	<p>discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.</p>
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## REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of Luo Lih-Fen Holding Co., Ltd.

### **Opinion**

We have audited the accompanying consolidated balance sheets of Luo Lih-Fen Holding Co., Ltd. and subsidiaries (the “Group”) as at December 31, 2018 and 2017, 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 significant 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, 2018 and 2017, 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 as endorsed by the Financial Supervisory Commission.

### **Basis for opinion**

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 consolidated financial statements of the current period. 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 consolidated financial statements of the current period are stated as follows:

**Existence and occurrence of sales revenue arising from distributors**

Description

For accounting policy applied on revenue recognition and related details of revenue, please refer to Notes 4(22) and 6(13).

The Group's revenue is derived from the sales of goods and the rendering of skin-care consulting services, of which 92% of total sales are arising from the sales of goods. Given that revenue is the Group's main operating activity and has significant risk, in addition, the Group's goods are sold by distributors, a significant amount of resources is required in performing the audit through the testing of occurrence of sales transaction. Thus, we identified existence and occurrence of sales revenue from distributors a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Tested internal control procedures on sales revenue, including orders processing, delivery, revenue recognition and write-off of advance collections, and assessed the effectiveness of control procedures.
2. Examined general information of main distributors, including the distributors' registration documents, name of representatives, list of major shareholders, registered address, amount of registered capital, main operating activities, and assessed the reasonableness of the existence of counterparties.
3. Performed confirmation with main distributors on the ending balance of advance collections and total sales revenue in order to confirm the rights of advance collections and the existence and occurrence of sales revenue.
4. Selected a sample of sales transactions during current year, and inspected related sales orders, delivery notes, delivery orders, waybills and invoices in order to assess the reasonableness of sale revenue recognition.

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

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 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.

#### **Auditor's 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 auditor's 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 ROC GAAS 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 ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

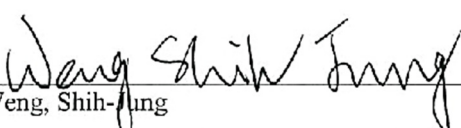
1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of 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.
2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. 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.
6. 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.

  
Wang, Shih-fung

  
Lin, Chun-Yao

For and on behalf of PricewaterhouseCoopers, Taiwan

March 15, 2019

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 report of independent accountants 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.

**LUO LIH-FEN HOLDING CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2018		December 31, 2017	
			AMOUNT	%	AMOUNT	%
	<b>Current assets</b>					
1100	Cash and cash equivalents	6(1)	\$ 1,782,992	84	\$ 995,927	79
1136	Current financial assets at amortised cost		2,900	-	-	-
1170	Accounts receivable, net	6(2)	1,530	-	427	-
1200	Other receivables		4,909	-	2,277	-
130X	Inventories	6(3)	53,724	3	51,042	4
1410	Prepayments	7	22,178	1	20,301	2
1479	Other current assets, others		18,440	1	3,638	-
11XX	<b>Current Assets</b>		<u>1,886,673</u>	<u>89</u>	<u>1,073,612</u>	<u>85</u>
	<b>Non-current assets</b>					
1600	Property, plant and equipment	6(4) and 7	197,647	9	152,630	12
1780	Intangible assets	6(5) and 7	1,603	-	1,775	-
1840	Deferred income tax assets	6(18)	9,211	1	6,790	1
1990	Other non-current assets, others	6(6)	25,972	1	32,109	2
15XX	<b>Non-current assets</b>		<u>234,433</u>	<u>11</u>	<u>193,304</u>	<u>15</u>
1XXX	<b>Total assets</b>		<u>\$ 2,121,106</u>	<u>100</u>	<u>\$ 1,266,916</u>	<u>100</u>
	<b>Liabilities and Equity</b>					
	<b>Current liabilities</b>					
2130	Current contract liabilities	6(7)	\$ 161,061	8	\$ -	-
2170	Accounts payable		44,498	2	28,478	2
2219	Other payables, others	6(8)	132,400	6	115,531	9
2230	Current income tax liabilities		58,562	3	44,022	4
2310	Advance collections	6(7)	-	-	127,831	10
2399	Other current liabilities, others		19,706	1	18,671	2
21XX	<b>Current Liabilities</b>		<u>416,227</u>	<u>20</u>	<u>334,533</u>	<u>27</u>
	<b>Non-current liabilities</b>					
2570	Deferred income tax liabilities	6(18)	7,441	-	17,214	1
2670	Other non-current liabilities, others		35	-	-	-
25XX	<b>Non-current liabilities</b>		<u>7,476</u>	<u>-</u>	<u>17,214</u>	<u>1</u>
2XXX	<b>Total Liabilities</b>		<u>423,703</u>	<u>20</u>	<u>351,747</u>	<u>28</u>
	<b>Equity</b>					
	<b>Equity attributable to owners of parent</b>					
	<b>Share capital</b>	6(10)				
3110	Share capital - common stock		430,800	20	330,000	26
	<b>Capital surplus</b>	6(11)				
3200	Capital surplus		829,495	39	379,160	30
	<b>Retained earnings</b>	6(12)				
3350	Unappropriated retained earnings		439,172	21	205,925	16
	<b>Other equity interest</b>					
3400	Other equity interest		( 2,064)	-	84	-
3XXX	<b>Total equity</b>		<u>1,697,403</u>	<u>80</u>	<u>915,169</u>	<u>72</u>
	<b>Significant contingent liabilities and unrecognized contract commitments</b>	9				
	<b>Significant events after balance sheet date</b>	11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 2,121,106</u>	<u>100</u>	<u>\$ 1,266,916</u>	<u>100</u>

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



**LUO LIH-FEN HOLDING CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Expressed in thousands of New Taiwan dollars, except earnings per share)

		Year ended December 31			
		2018		2017	
Items	Notes	AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(13)	\$ 1,358,184	100	\$ 868,559	100
5000 Operating costs	6(3)(16)(17) and 7	( 447,660)	( 33)	( 344,279)	( 40)
5900 Net operating margin		<u>910,524</u>	<u>67</u>	<u>524,280</u>	<u>60</u>
Operating expenses	6(16)(17) and 7				
6100 Selling expenses		( 158,008)	( 12)	( 108,023)	( 13)
6200 General and administrative expenses		( 140,206)	( 10)	( 80,207)	( 9)
6300 Research and development expenses		( 40,144)	( 3)	( 20,877)	( 2)
6000 Total operating expenses		<u>( 338,358)</u>	<u>( 25)</u>	<u>( 209,107)</u>	<u>( 24)</u>
6900 Operating profit		<u>572,166</u>	<u>42</u>	<u>315,173</u>	<u>36</u>
Non-operating income and expenses					
7010 Other income	6(14) and 7	13,296	1	6,409	1
7020 Other gains and losses	6(15)	( 2,022)	-	( 2,832)	( 1)
7000 Total non-operating income and expenses		<u>11,274</u>	<u>1</u>	<u>3,577</u>	<u>-</u>
7900 Profit before income tax		<u>583,440</u>	<u>43</u>	<u>318,750</u>	<u>36</u>
7950 Income tax expense	6(18)	( 152,193)	( 11)	( 78,735)	( 9)
8200 Profit for the year		<u>\$ 431,247</u>	<u>32</u>	<u>\$ 240,015</u>	<u>27</u>
Other comprehensive income					
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Other comprehensive income, before tax, exchange differences on translation		( \$ 2,148)	-	( \$ 3,183)	-
8500 Total comprehensive income for the year		<u>\$ 429,099</u>	<u>32</u>	<u>\$ 236,832</u>	<u>27</u>
Profit attributable to					
8610 Owners of the parent		\$ 431,247	32	\$ 221,198	25
8615 Predecessor interests under common control		<u>-</u>	<u>-</u>	<u>18,817</u>	<u>2</u>
		<u>\$ 431,247</u>	<u>32</u>	<u>\$ 240,015</u>	<u>27</u>
Comprehensive income attributable to					
8710 Owners of the parent		\$ 429,099	32	\$ 221,621	25
8715 Predecessor interests under common control		<u>-</u>	<u>-</u>	<u>15,211</u>	<u>2</u>
		<u>\$ 429,099</u>	<u>32</u>	<u>\$ 236,832</u>	<u>27</u>
Basic earnings per share	6(19)				
9710 Basic earnings per share from owners of the parent		\$	11.09	\$	32.73
9720 Basic earnings per share from predecessor interests under common control		-	-	-	2.79
9750 Basic earnings per share		<u>\$ 11.09</u>		<u>\$ 35.52</u>	
Diluted earnings per share	6(19)				
9810 Diluted earnings per share from owners of the parent		\$	11.08	\$	32.73
9820 Diluted earnings per share from predecessor interests under common control		-	-	-	2.79
9850 Diluted earnings per share		<u>\$ 11.08</u>		<u>\$ 35.52</u>	

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

**LUO LIH-FEN HOLDING CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent						Equity attributable to predecessor interests under common control	Total equity
	Share capital - common stock	Capital surplus, additional paid-in capital	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Total			
For the year ended December 31, 2017								
Balance at January 1, 2017	\$ 1	\$ -	\$ 3,336 )	\$ 339 )	\$ 3,674 )	\$ 96,816	\$ 93,142	
Profit for 2017	-	-	221,198	-	221,198	18,817	240,015	
Other comprehensive income(loss) for 2017	-	-	-	423	423	( 3,606 )	( 3,183 )	
Total comprehensive income	-	-	221,198	423	221,621	15,211	236,832	
Appropriation of 2016 earnings:								
Cash dividend	-	-	-	-	-	( 53,354 )	( 53,354 )	
Issuance of common stock	49,499	659,660	-	-	709,159	-	709,159	
Issuance of common stock from capital surplus	280,500	( 280,500 )	-	-	-	-	-	
Organisational restructuring	-	-	( 11,937 )	-	( 11,937 )	( 58,673 )	( 70,610 )	
Balance at December 31, 2017	\$ 330,000	\$ 379,160	\$ 205,925	\$ 84	\$ 915,169	\$ -	\$ 915,169	
For the year ended December 31, 2018								
Balance at January 1, 2018	\$ 330,000	\$ 379,160	\$ 205,925	\$ 84	\$ 915,169	\$ -	\$ 915,169	
Profit for 2018	-	-	431,247	-	431,247	-	431,247	
Other comprehensive loss for 2018	-	-	-	( 2,148 )	( 2,148 )	-	( 2,148 )	
Total comprehensive income	-	-	431,247	( 2,148 )	429,099	-	429,099	
Appropriation of 2017 earnings:								
Cash dividend	-	-	( 145,200 )	-	( 145,200 )	-	( 145,200 )	
Stock dividend	52,800	-	( 52,800 )	-	-	-	-	
Issuance of common stock	48,000	450,335	-	-	498,335	-	498,335	
Balance at December 31, 2018	\$ 430,800	\$ 829,495	\$ 439,172	\$ 2,064 )	\$ 1,697,403	\$ -	\$ 1,697,403	

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

LUO LIH-FEN HOLDING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31  
(Expressed in thousands of New Taiwan dollars)

	Notes	2018	2017
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 583,440	\$ 318,750
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(4)(16)	19,707	7,765
Amortization expense	6(5)(16)	532	308
Long-term prepaid rents recognised as expenses	6(6)(16)	680	672
Interest income	6(14)	( 11,739 )	( 1,706 )
Loss on disposal of property, plant and equipment	6(4)(15)	491	764
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net	(	1,103 )	47,054
Accounts receivable - related parties		-	1,354
Other receivables		1,464	( 182 )
Other receivables - related party		-	2,252
Inventories	(	2,682 )	62,200
Prepayments	(	1,877 )	( 12,092 )
Other current assets, others	(	14,802 )	( 3,473 )
Other non-current assets	(	1,807 )	( 6,557 )
Changes in operating liabilities			
Current contract liabilities		36,540	-
Accounts payable		16,020	( 40,353 )
Accounts payable - related parties		-	484
Other payables		21,070	47,813
Other payables - related party		-	( 954 )
Advance collections		-	( 486 )
Other current liabilities, others		1,035	18,671
Other non-current liabilities, others		35	-
Cash inflow generated from operations		647,004	441,316
Interest received		7,643	1,706
Income tax paid	(	148,687 )	( 47,734 )
Net cash flows from operating activities		505,960	395,288
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in current financial assets at amortised cost	(	2,900 )	-
Acquisition of property, plant and equipment	6(22)	( 64,784 )	( 61,157 )
Acquisition of intangible assets	6(5)	( 393 )	( 1,267 )
Proceeds from disposal of property, plant and equipment		-	78
Net cash flows used in investing activities	(	68,077 )	( 62,346 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Acquisition of subsidiary		-	( 70,610 )
Decrease in other payables - related party		-	( 56,034 )
Proceeds from issuance of common stock	6(10)	498,335	709,160
Cash dividends paid	6(12)	( 145,200 )	( 53,354 )
Net cash flows from financing activities		353,135	529,162
Effect of exchange rate changes on cash and cash equivalents	(	3,953 )	( 3,640 )
Net increase in cash and cash equivalents		787,065	858,464
Cash and cash equivalents at beginning of year		995,927	137,463
Cash and cash equivalents at end of year		\$ 1,782,992	\$ 995,927

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

## Appendix No. V

### Luo Lih-Fen Holding Co., Ltd. Proposed Allocation of Earnings of 2018

Expressed in New Taiwan Dollars

Descriptions	Amount
	Total
Allocable earnings	
Unappropriated retained earnings at beginning	7,925,194
Add: Net profit after tax this year	431,247,601
Less: Legal reserve amortized	( 43,124,760)
Less: Special reserve amortized (Note)	( 2,064,000)
Total allocable earnings	393,984,035
Items of allocation:	
Stock dividend (NT\$1 per share)	(43,080,000)
Cash dividend (NT\$7 per share)	( 301,560,000)
Post-allocation earnings	49,344,035

Note: The Company duly amortized special reserve with the net amount with the conversion differential discrepancy converted with the financial statements of the overseas operating entities based on Financial Supervisory Commission official letter No. 1010012865 after deduction in conversion of financial statements of overseas operating entities.

## Appendix No. VI

Luo Lih-Fen Holding Co., Ltd.

**Comparison Table for MEMORANDUM OF ASSOCIATION**

No.	Current Provisions	Proposed Amendments	Explanations
Article 7	(nil)	<u>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.</u>	In coordination with the “Examination Table for Foreign Issuers on Protection Over Their Shareholders’ Equity at the Venues of Registration” concerned.

Luo Lih-Fen Holding Co., Ltd.

Comparison Table for ARTICLES OF ASSOCIATION

No.	Current Provisions	Proposed Amendments	Explanations
Article 7	(nil)	<u>(4) The Company shall neither issue Shares without par value nor convert its Shares from Shares with par value to Shares without par value.</u>	In coordination with the “Examination Table for Foreign Issuers on Protection Over Their Shareholders’ Equity at the Venues of Registration” concerned.

No.	Current Provisions	Proposed Amendments	Explanations
Article 18	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.	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. <b><u>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.</u></b>	In coordination with the "Examination Table for Foreign Issuers on Protection Over Their Shareholders' Equity at the Venues of Registration" concerned.
Article 28	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 at	(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	Amendment in wording.

No.	Current Provisions	Proposed Amendments	Explanations
	<p>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 <b><u>abovementioned period</u></b>, the respective convening date of the general meeting or the relevant target date shall be included.</p>	<p>transfers <b><u>(the “Book Closure Period”)</u></b> 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 <b><u>Book Closure Period</u></b>, the respective convening date of the general meeting or the relevant target date shall be included.</p>	
Article 32	<p>Any one or more Member(s) <b><u>holding at least three percent (3%) of the issued and outstanding Shares of the Company for a period of one year or a longer time</u></b> may, by depositing the requisition notice specifying the proposals to be resolved and the reasons, request the Board to convene an extraordinary general meeting. If the Board does not give notice to Members to convene such meeting within fifteen (15) days after the date of the</p>	<p><b><u>(1)</u></b> Any one or more Member(s) may, by depositing the requisition notice specifying the proposals to be resolved and the reasons <b><u>thereof</u></b>, request the Board to convene an extraordinary general meeting, <b><u>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.</u></b> If the</p>	<p>In coordination with the “Examination Table for Foreign Issuers on Protection Over Their Shareholders’ Equity at the Venues of Registration” concerned.</p>



No.	Current Provisions	Proposed Amendments	Explanations
	<p>requisition notice, the proposing Member(s) may convene a general meeting.</p>	<p>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.</p> <p><b><u>(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 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.</u></b></p> <p><b><u>(3) In addition to the circumstance where the Board should have convened a general meeting but does not or is unable to convene a general meeting pursuant to the Law, the Applicable Listing Rules or these Articles, an Independent Director from the audit committee of the</u></b></p>	

No.	Current Provisions	Proposed Amendments	Explanations
		<u>Company may also, for the benefit of the Company, call a general meeting when it is deemed necessary.</u>	
Article 36	<p>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:</p> <p>(a) any election or removal of Director(s);</p> <p>(b) any alteration of the Memorandum and/or these Articles; ...<i>(Omitted)</i></p>	<p>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; <u>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:</u></p> <p>(a) any election or removal of Director(s);</p> <p>(b) any alteration of the Memorandum and/or these Articles;</p> <p><u>(c) any capital reduction or compulsory purchase and cancellation of Shares pursuant to Article 24(1);</u></p>	<p>In coordination with the "Examination Table for Foreign Issuers on Protection Over Their Shareholders' Equity at the Venues of Registration" concerned.</p>

No.	Current Provisions	Proposed Amendments	Explanations
		<b><u>(d) applying for the approval of ceasing the status as a public company; ... (Omitted)</u></b>	
Article 40	<p>(1) During the Relevant Period, one or more Member(s) holding one percent (1%) or more of the total issued <b><u>and outstanding</u></b> Shares of the Company may submit to the Company not more than one proposal in writing <b><u>for resolution at an annual general meeting; provided that only one matter shall be allowed in a single proposal, the number of words therein contained shall not be more than three hundred (300), and the matter of such proposal may be resolved by a general meeting, or otherwise such proposal shall not be included in the agenda.</u></b></p> <p>(2) The Board <b><u>may exclude</u></b> a proposal submitted by Member(s) <b><u>if</u></b>:</p>	<p>(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 <b><u>or by way of electronic transmission for resolution at an annual general meeting.</u></b></p> <p>(2) The Board <b><u>shall include</u></b> a proposal submitted by Member(s) <b><u>unless</u></b>:</p> <p>(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;</p> <p>(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 period in which the Register is closed for</p>	In coordination with the "Examination Table for Foreign Issuers on Protection Over Their Shareholders' Equity at the Venues of Registration" concerned.

No.	Current Provisions	Proposed Amendments	Explanations
	<p>(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;</p> <p>(b) the number of Shares held by the proposing Member(s) is less than one percent (1%) of the total issued <b><u>and outstanding</u></b> Shares in the Register upon commencement of the period in which the Register is closed for transfers before the relevant annual general meeting of the Company; ... (<i>Omitted</i>)</p>	<p>transfers before the relevant annual general meeting of the Company; ... (<i>Omitted</i>)</p> <p><b><u>(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 one of the circumstances set forth in the preceding Paragraph.</u></b></p>	
Article 46	(Nil)	<p>(1) Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution: ...</p> <p><b><u>(t) apply for the approval of ceasing the status as a public company.</u></b></p>	In coordination with the "Examination Table for Foreign Issuers on Protection Over Their Shareholders' Equity at the Venues of Registration" concerned.

No.	Current Provisions	Proposed Amendments	Explanations
Article 48	<p>(1) Subject to the Law, in the event any of the resolutions with respect to the matter(s) as set out in Paragraphs (a), (b) or (c) 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 Paragraph (b) of Article 46 and at the same meeting the resolution for the winding up of the Company is also adopted.</p> <p>(2) <b>In</b> the event any part of the Company's business is involved in any Spin-Off, Merger or Consolidation, a Member, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing before the relevant vote, may request the Company to</p>	<p>(1) Subject to <b><u>the compliance with</u></b> the Law, in the event any of the resolutions with respect to the matter(s) as set out in Paragraphs (a), (b) or (c) of Article 46<b><u>(1)</u></b> 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 Paragraph (b) of Article 46<b><u>(1)</u></b> and at the same meeting the resolution for the winding up of the Company is also adopted.</p> <p>(2) <b><u>Subject to the compliance with the Law, in</u></b> the event any part of the Company's business is involved in any Spin-Off, Merger or Consolidation, a Member, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing <b><u>or</u></b></p>	<p>In coordination with the requirements progulated by the competent authority(ies) regarding laws and ordinances concerned.</p>

No.	Current Provisions	Proposed Amendments	Explanations
	<p>purchase all of his Shares at the then prevailing fair price <b><u>in accordance with the Law.</u></b></p> <p>(3) Without prejudice to the Law, in the event the Company and a Member making a request pursuant to Paragraphs (1) or (2) of this Article fail to reach agreement on the purchase price within sixty (60) days following the date of the resolution, the Member may, within thirty (30) days after such sixty (60) days period, file a petition to the R.O.C. Courts <b><u>if and to the extent permitted under the Law,</u></b> for a ruling on the appraisal price.</p>	<p><b><u>orally with an entry to that effect in the minutes of the meeting</u></b> before the relevant vote, may request the Company to purchase all of his Shares at the then prevailing fair price.</p> <p>(3) Without prejudice to the Law, in the event the Company and a Member making a request pursuant to Paragraphs (1) or (2) of this Article fail to reach <b><u>an</u></b> agreement on the purchase price within sixty (60) days following the date of the resolution, the Member may, within thirty (30) days after such sixty (60) days period, file a petition to the R.O.C. Courts for a ruling on the appraisal price. <b><u>However, for the purpose of protecting rights of the dissenting Member, the Company may elect to act in accordance with the laws of place where the securities of the Company are registered or listed.</u></b></p>	
第 68 條	(2) Without prejudice to other provisions of these Articles, the <b><u>Company</u></b> may <b><u>by an Ordinary</u></b>	(2) Without prejudice to other provisions of these Articles, the <b><u>Directors</u></b> may <b><u>be put up</u></b> for re-election	In coordination with the “Examination

No.	Current Provisions	Proposed Amendments	Explanations
	<p><u>Resolution</u> put <u>all Directors</u> for re-election before the expiration of the term of office of such Directors. In <u>this</u> event, <u>if it is not specified in such resolution that the existing Directors will not retire until</u> the expiration <u>date</u> of <u>their terms</u> of office <u>or other specified date, they shall be deemed to have retired on the date</u> of such <u>resolution</u>, subject to the successful election of the new Directors at the same meeting</p>	<p><u>at any time</u> before the expiration of the term of office of such Directors. In <u>the</u> event <u>where all Directors are subject for re-election at a general meeting before</u> the expiration of <u>the term</u> of office of such <u>Directors</u>, subject to the successful election of the new Directors at the same meeting, <u>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.</u></p>	<p>Table for Foreign Issuers on Protection Over Their Shareholders' Equity at the Venues of Registration" concerned.</p>

No.	Current Provisions	Proposed Amendments	Explanations
Article 82.1	<b>(3)</b> 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.	<b>(4)</b> 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.	Amendment in wording.
Article 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	(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	In coordination with the “Examination Table for Foreign Issuers on Protection Over Their Shareholders’ Equity at the Venues of



No.	Current Provisions	Proposed Amendments	Explanations
	<p>Organizational Crimes of the R.O.C.) and has been convicted thereof, and <u>the time elapsed after he has served the full term of the sentence</u> is less than five (5) years;</p> <p>(b) has been <u>sentenced to</u> imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and the time elapsed after <u>he has served the full term</u> of <u>such</u> sentence is less than two (2) years;</p> <p>(c) has been <u>convicted</u> of <u>misappropriating public funds during</u> the <u>time of his public service</u>, and the time elapsed after <u>he has served the full term</u> of <u>such sentence</u> is less than two (2) years;</p> <p>(d) becomes bankrupt under the laws of any jurisdiction and has not been reinstated to his rights and privileges;</p> <p>(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;</p>	<p>Organizational Crimes of the R.O.C.) and has been convicted thereof, and <u>has not started serving the sentence, has not completed serving the sentence, or the time elapsed after completion of serving the sentence, expiration of the probation, or pardon</u> is less than five (5) years;</p> <p>(b) has been <u>imposed a final sentence involving</u> imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, <u>and has not started serving the sentence, has not completed serving the sentence, or the time elapsed after completion of serving the sentence, expiration of the probation, or pardon</u> is less than two (2) years;</p> <p>(c) has been <u>imposed a final sentence due to violation</u> of the <u>Anti-corruption Act</u>, and <u>has not started serving the sentence, has not completed serving the sentence, or the time elapsed after completion of serving the sentence, expiration of the probation, or pardon</u> is less than two (2) years;</p>	<p>Registration" concerned.</p>

No.	Current Provisions	Proposed Amendments	Explanations
	<p>(f) dies or an order <u>is</u> 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 or his legal capacity is restricted according to the applicable laws; ... (Omitted)</p>	<p>(d) becomes bankrupt <u>or is adjudicated of commencement of liquidation proceeding by a court</u> under the laws of any jurisdiction, and has not been reinstated to his rights and privileges;</p> <p>(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;</p> <p>(f) dies or an order <u>has been</u> 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 <u>and such order has not been revoked</u>, or his legal capacity is restricted according to the applicable laws; ... (Omitted)</p>	

No.	Current Provisions	Proposed Amendments	Explanations
Article 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 <b>and outstanding</b> Shares of the Company may, within thirty (30) days after that general meeting, submit a petition to a competent court, including the Taiwan Taipei District Court of the R.O.C., but only if and to the extent permitted under the Law and the Applicable Listing Rules, for removing such Director from office.	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 a competent court, including the Taiwan Taipei District Court of the R.O.C., but only if and to the extent permitted under the Law and the Applicable Listing Rules, for removing such Director from office.	Amendment in wording.

No.	Current Provisions	Proposed Amendments	Explanations
Article 86	Subject to the Law, one or more Members holding <b><u>three</u></b> percent ( <b><u>3</u></b> %) or more of the total number of the outstanding Shares continuously for a period of <b><u>one (1) year</u></b> or more may request in writing any Independent Director of 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 a competent court, including the Taiwan Taipei District Court of the R.O.C. In case the Independent Director 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.	Subject to the Law, one or more Members holding <b><u>one</u></b> percent ( <b><u>1</u></b> %) or more of the total number of the outstanding Shares continuously for a period of <b><u>six months or a longer time</u></b> may request in writing any Independent Director of 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 a competent court, including the Taiwan Taipei District Court of the R.O.C. In case the Independent Director 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.	In coordination with the “Examination Table for Foreign Issuers on Protection Over Their Shareholders’ Equity at the Venues of Registration” concerned.
Article 91	A Director who is in any way, whether directly or indirectly, interested in a matter discussed,	A Director who is in any way, whether directly or indirectly, interested in a matter discussed,	In coordination with the “Examination

No.	Current Provisions	Proposed Amendments	Explanations
	<p>considered or proposed in a meeting of the Board shall declare the nature of his interest and its essential contents at such relevant meeting. 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.</p>	<p>considered or proposed in a meeting of the Board shall declare the nature of his interest and its essential contents at such relevant meeting. <b><u>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.</u></b> 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.</p>	<p>Table for Foreign Issuers on Protection Over Their Shareholders' Equity at the Venues of Registration" concerned.</p>

No.	Current Provisions	Proposed Amendments	Explanations
Article 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, the Board <u>may</u> , before recommending any dividend or bonuses, set aside the remaining profits of the Company for the relevant financial year as a reserve or reserves (the "Special Reserve") <u>which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied.</u>	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 <u>for any purpose to which the profits of the Company may be properly applied</u> , the Board <u>shall</u> , before recommending any dividend or bonuses, set aside the remaining profits of the Company <u>in whole or in part</u> for the relevant financial year as a <u>special</u> reserve or reserves <u>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,</u> the "Special Reserve").	Amendment in wording according to Taiwan regarding laws.

No.	Current Provisions	Proposed Amendments	Explanations
第 100 條	(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 <b>issued</b> capital), and setting aside the Special Reserve (if any), the Company may distribute not less than fifty percent (50%) of the remaining balance (including the amounts reversed from the Special Reserve), plus undistributed profits of previous years (including adjusted undistributed profits) in part or in whole as determined by an Ordinary Resolution	(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 <b>paid-in</b> capital), and setting aside the Special Reserve (if any), the Company may distribute not less than fifty percent (50%) of the remaining balance (including the amounts reversed from the Special Reserve), plus <b>accumulated</b> undistributed profits of previous years (including adjusted undistributed profits) in part or in whole as determined by an	Amendment in wording.

No.	Current Provisions	Proposed Amendments	Explanations
	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 twenty percent (20%) of the total amount of dividends/bonuses to Members.	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 twenty percent (20%) of the total amount of dividends/bonuses to Members.	
Article 107	<b>The</b> 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 <b><u>inspect and to make copies of</u></b> the above documents.	<b><u>During the Relevant Period, the</u></b> 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 <b><u>inspecting, transcribing and</u></b>	In coordination with the "Examination Table for Foreign Issuers on Protection Over Their Shareholders' Equity at the Venues of Registration" concerned.



No.	Current Provisions	Proposed Amendments	Explanations
		<u>making copies of the above documents; the Company shall make Shareholder Service Agent provide</u> the above documents.	
Article 109	<p>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:</p> <p>(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, <b>and</b> the names of the Directors who abstain or object to the tender offer and the reason(s) therefore; ... (Omitted)</p>	<p>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:</p> <p>(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, <b>and</b> the names of the Directors who abstain or object to the tender offer and the reason(s) therefore; ... (Omitted)</p>	Amendment in wording.

## Appendix No. VII

### Rules of Procedures Governing Shareholders' Meetings Pre-amendment and Post-amendment Contents in Comparison

Post-amendment Contents	Pre-amendment Contents
<p><b>Article I. Objectives</b></p> <p>These Rules of Procedures Governing Shareholders' Meetings are duly enacted in accordance with Article 5 of the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies prevalent in <b>Taiwan</b> in an attempt to assure a sound corporate governance system and, in turn, strengthen supervisory functions and managerial mechanisms.</p>	<p><b>Article I Objectives</b></p> <p>These Rules of Procedures Governing Shareholders' Meetings are duly enacted in accordance with Article 5 of the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies in an attempt to assure a sound corporate governance system and, in turn, strengthen supervisory functions and managerial mechanisms.</p>
<p><b>Article II. Scope of Application</b></p> <p><b>These Rules of Procedures Governing Shareholders' Meetings shall govern all key issues of the Company's Shareholders' Meetings unless otherwise specified in laws and the Articles of Incorporation. <u>The Board of Directors or other convener(s) who convene(s) a Shareholders' Meeting may request the Company or the Company's shareholder services agent to provide a register of shareholders.</u></b></p>	<p><b>Article II. Scope of Application</b></p> <p><b>These Rules of Procedures Governing Shareholders' Meetings shall govern all key issues of the Company's Shareholders' Meetings unless otherwise specified in laws and the Articles of Incorporation.</b></p>
<p><b>Article III. Notice(s) to Convene a Shareholders' Meeting or for a Shareholders' Meeting</b></p> <p>The Company's Shareholders' Meetings shall be duly convened by the Board of Directors unless otherwise specified in laws and ordinances concerned or in the <b>Articles</b> of Incorporation.</p> <p><b><u>During the listing period (as duly defined under the Articles of Incorporation, as equally applicable hereinafter),</u></b> the Company shall, thirty (30) days before the Company convenes a Regular Shareholders' Meeting or</p>	<p><b>Article III. Notice(s) to Convene a Shareholders' Meeting or for a Shareholders' Meeting</b></p> <p>The Company's Shareholders' Meeting shall be duly convened by the Board of Directors unless otherwise specified in laws and ordinances concerned.</p> <p><b>During the listing period,</b> the Company shall, thirty (30) days before the Company convenes a Regular Shareholders' Meeting or fifteen (15) days before a Special Shareholders' Meeting, prepare electronic files of the meeting announcement, proxy form,</p>

<p>fifteen (15) days before a Special Shareholders' Meeting, prepare electronic files of the meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors or supervisors, and other matters on the Shareholders' Meeting agenda, and upload them to the Market Observation Post System. Fifteen days before the Company is to convene a Shareholders' Meeting, the Company shall prepare the Shareholders' Meeting Agenda Handbook and supplemental materials and make them available for the shareholders to obtain and review at any time. In addition, the Handbook shall be displayed at the Company and by its stock registrar and transfer agent, and distributed on-site at the meeting.</p> <p>The cause(s) or subject(s) of a Shareholders' Meeting to be convened shall be indicated in the individual notice to be given to shareholders; and the notice may, as an alternative, be given by means of electronic transmission, after obtaining prior consent from the recipient(s) thereof.</p> <p>During the period other than listing, the notices of a Shareholders' Meeting shall be served to all shareholders five (5) days prior to the date scheduled for that meeting. The service of such a notice may be, nevertheless, exempted if consented to by shareholders in full prior to or during a meeting. In addition, such a notice may be served by means of e-mail, cable, or fax. During a period other than listing, a notice for a Special Shareholders Meeting may be served to all shareholders in a shorter period of time if voted on with consent by shareholders representing 95% of the total outstanding shares in the meeting which is attended by shareholders representing a one half majority of the</p>	<p>explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors or supervisors, and other matters on the Shareholders' Meeting agenda, and upload them to the Market Observation Post System. Twenty-one days before the Company is to convene an Ordinary Shareholders' Meeting, or 15 days before it convenes an Extraordinary Shareholders' Meeting, the Company shall prepare an electronic file of the Shareholders' Meeting Agenda Handbook and the supplemental materials referred to in the preceding paragraph, and upload it to the Market Observation Post System. Fifteen days before the Company is to convene a Shareholders' Meeting, the Company shall prepare the Shareholders' Meeting Agenda Handbook and supplemental materials and make them available for the shareholders to obtain and review at any time. In addition, the Handbook shall be displayed at the company and by its stock registrar and transfer agent, and distributed on-site at the meeting.</p> <p>The cause(s) or subject(s) of a Shareholders Meeting to be convened shall be indicated in the individual notice to be given to shareholders; and the notice may, as an alternative, be given by means of electronic transmission, after obtaining prior consent from the recipient(s) thereof.</p> <p>During the period other than listing, the notices of a Shareholders' Meeting shall be served to all shareholders five (5) days prior to the date scheduled for that meeting. The service of such a notice may be, nevertheless, exempted if consented to by shareholders in full prior to or during a meeting. In addition, such a notice may be served by means of e-mail, cable, or fax. During a period other than listing, a notice for a Special</p>
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<p>voting power.</p> <p>Issues regarding election or discharge of a director, change in the Articles of Incorporation, <b><u>capital reduction, compulsory repurchase of the Company's shares with cancellation, application for discontinuance from listing to the public in accordance with Article 24 of the Articles of Incorporation</u></b>, dissolution, merger, demerger of the Company, or an issue as set forth under Paragraph 1, Article 185 of the Company Act prevalent in <b><u>Taiwan (hereinafter referred to as "Company Act prevalent")</u></b>; Article 26-1, Article 43-6 of the Securities and Exchange Act prevalent in <b><u>Taiwan</u></b>, and issues set forth under Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers prevalent in Taiwan shall be officially enumerated under the agenda <b><u>with express descriptions of the contents</u></b> and shall not be posed amidst Extraordinary (Unscheduled) Motions. <b><u>The key contents thereof may be put onto the website(s) designated by the competent authority in charge of securities affairs of the Republic of China or by the Company for which the website(s) shall be expressly remarked in the notices for the Shareholders' Meeting.</u></b></p> <p>During the listing period, shareholders who hold more than 1% of the total outstanding shares may propose issues in writing <b><u>or by electronic means</u></b> to the Company's Shareholders' Regular Meeting, but not more than one issue. A proposal that involves more than one issue shall not be counted into the agenda. An issue posed by a shareholder <b><u>except</u></b> one that falls under any one of the circumstances enumerated under Paragraph 4, Article <b><u>172-1</u></b> of the Company Act <b><u>shall</u></b> be entered into the</p>	<p>Shareholders Meeting may be served to all shareholders in a shorter period of time if voted on with consent by shareholders representing 95% of the total outstanding shares in the meeting which is attended by shareholders representing a one half majority of the voting powers.</p> <p>Issues regarding election or discharge of a director, change in the Articles of Incorporation, dissolution, merger, demerger of the Company, or an issue as set forth under Paragraph 1, Article 185 of the Company Act; Article 26-1, Article 43-6 of the Securities and Exchange Act, and issues set forth under Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be officially enumerated under the agenda and shall not be posed amidst Extraordinary (Unscheduled) Motions. During the listing period, shareholders who hold more than 1% of the total outstanding shares may propose issues in writing to the Company's shareholders' regular meeting, but not more than one issue. A proposal that involves more than one issue shall not be counted in the agenda. An issue posed by a shareholder falling in any one of the circumstances enumerated under Paragraph 4, Article <b><u>172-1</u></b> of the Company Act <b><u>shall not</u></b> be entered into the agenda of a Board of Directors meeting.</p> <p>During the listing period, the Company shall promulgate acceptance of a proposal from a shareholder, the venue, and duration to accept such proposal prior to the date of discontinuance from ownership transfer registration of stocks. The period to accept proposals shall not be shorter than the minimum of ten (10) days.</p> <p>A proposal posed by a shareholder shall</p>
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<p>agenda of a Board of Directors meeting.  <u><b>Where an issue so proposed is intended to urge the Company to enhance public interests or to fulfill Corporate Social Responsibility (CSR), such an issue shall still be accepted under the Board of Directors meeting agenda even if it falls under any one of the circumstances enumerated under Paragraph 4, Article 172-1 of the Company Act.</b></u></p> <p>During the listing period, the Company shall promulgate acceptance of a proposal from a shareholder, the venue, and duration to accept such proposal prior to the date of discontinuance from ownership transfer registration of stocks. The period to accept proposals shall not be shorter than the minimum of ten (10) days.</p> <p>A proposal posed by a shareholder shall not exceed the maximum of three hundred Chinese characters. A proposal in excess of three hundred Chinese characters shall not be counted into the agenda. A shareholder who poses a proposal shall participate in the Shareholders' Regular Meeting and participate in the discussion process either in person or through a proxy.</p> <p>Prior to service of a notice for a Shareholders' Meeting, the Company shall keep a proposing shareholder informed of the outcome of that proposal and shall expressly enumerate an issue satisfactory to requirements set forth under this Article in the notice of the Shareholders' Meeting. For a proposal by a shareholder that is not entered in the agenda, the Board of Directors shall explain the reason why it is not entered in the agenda.</p>	<p>not exceed the maximum of three hundred Chinese characters. A proposal in excess of three hundred Chinese characters shall not be counted in the agenda. A shareholder who poses a proposal shall participate in the Shareholders' Regular Meeting and participate in the discussion process either in person or through a proxy.</p> <p>Prior to service of a notice for a Shareholders' Meeting, the Company shall keep a proposing shareholder informed of the outcome of that proposal and shall expressly enumerate an issue satisfactory to requirements set forth under this Article in the notice for the Shareholders' Meeting. For a proposal by a shareholder that is not entered in the agenda, the Board of Directors shall explain the reason why it is not entered in the agenda.</p>
<p>Article VII. Chairperson and Non-voting (Guest) Participants of a Shareholders' Meeting</p>	<p>Article VII. Chairperson and Non-voting (Guest) Participants of a Shareholders' Meeting</p>

<p>Where a Shareholders' Meeting is convened by the Board of Directors, that meeting shall be chaired by the Chairperson. Where the Chairperson is on leave or unavailable to exercise their duties, the Chairperson shall appoint one director to act as his/her substitute. Where the Chairperson does not appoint a substitute, one director shall be elected from among the directors themselves to act as the substitute.</p> <p>Where a director acts as the substitute for the Chairperson as mentioned in the preceding Paragraph, such director shall be the one who has served the most for more than six months and who is aware of the Company's financial conditions. This same provision is applicable <i>mutatis mutandis</i> to an event where the Chairperson is the representative of a juristic person director.</p> <p>A Shareholders' Meeting convened by the Board of Directors shall be chaired by the Chairperson in person and shall be attended by directors who make up a one half majority of the total director seats. Each functional committee shall have a minimum of one representative to participate in the meeting and all such facts of the participation shall be expressly entered into the minutes of the Shareholders' Meeting.</p> <p>Where a Shareholders' Meeting is convened by a convener outside the Board of Directors, that meeting shall be chaired by that convener. In the case of two or more conveners, one shall be elected from among themselves to chair the meeting.</p> <p>The Company may appoint the retained Attorney(s)-at-Law, Certified Public Accountant(s), or the relevant personnel to participate in a Shareholders' Meeting.</p>	<p>Where a Shareholders' Meeting is convened by the Board of Directors, that meeting shall be chaired by the Chairperson. Where the Chairperson is on leave or unavailable to exercise their duties, <b><u>the Vice Chairperson shall act as the substitute. Where there is no Vice Chairperson or the Vice Chairperson is on leave or unavailable to exercise their duties,</u></b> the Chairperson shall appoint one <b><u>managing</u></b> director to act as his/her substitute. <b><u>Where there is no managing director,</u></b> the Chairperson shall <b><u>appoint one director to act</u></b> as the substitute. Where the Chairperson does not appoint a substitute, one <b><u>managing director or</u></b> one director shall be elected from among themselves to serve as the substitute.</p> <p>Where a managing director or a director acts as the substitute for the Chairperson as mentioned in the preceding Paragraph, such <b><u>managing director or</u></b> director shall be the one who has served the most for more than six months and who is aware of the Company's financial conditions. This same provision is applicable <i>mutatis mutandis</i> to an event where the Chairperson is the representative of a juristic person director.</p> <p>A Shareholders' Meeting convened by the Board of Directors shall be chaired by the Chairperson in person and shall be attended by directors who make up a one half majority of the total director seats. Each functional committee shall have a minimum of one representative to participate in the meeting and all such facts of the participation shall be expressly entered into the minutes of the Shareholders' Meeting.</p> <p>Where a Shareholders' Meeting is convened by a convener outside the Board of Directors, that meeting shall be chaired by that convener. In the case of two or more conveners, one shall be</p>
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	<p>elected from among themselves to chair the meeting.</p> <p>The Company may appoint the retained Attorney(s)-at-Law, Certified Public Accountant(s), or the relevant personnel to participate in a Shareholders' Meeting.</p>
<p>Article IX. Number of Participants and Tentative Resolution in a Shareholders' Meeting</p> <p>Participation in a Shareholders' Meeting shall be counted based on the number of represented shares. The number of shares represented by the participating shareholders shall be counted based on the sign-in card plus the number of shares represented by the voting powers exercised in writing or in electronic means.</p> <p>The Chairperson may announce start of the meeting when the specified time is arrived at. Where the meeting is attended by shareholders who do not represent up to a one half majority of the total outstanding shares, nevertheless, the Chairperson may announce deferment of the meeting and the deferments shall not exceed a maximum of twice, and the total duration of deferment(s) shall not exceed an hour. In the event that the shareholders' meeting is still attended by shareholders who represent less than one-third of the total outstanding shares, the Chairperson may promulgate that the meeting be aborted.</p>	<p>Article IX. Number of Participants and Tentative Resolution in a Shareholders' Meeting</p> <p>Participation in a Shareholders' Meeting shall be counted based on the number of represented shares. The number of shares represented by the participating shareholders shall be counted based on the sign-in card plus the number of shares represented by the voting powers exercised in writing or in electronic means.</p> <p>The Chairperson may announce start of the meeting when the specified time is arrived at. Where the meeting is attended by shareholders who do not represent up to a one half majority of the total outstanding shares, nevertheless, the Chairperson may announce deferment of the meeting and the deferments shall not exceed a maximum of twice, and the total duration of deferment(s) shall not exceed an hour. In the event that the Shareholders' Meeting is still attended by shareholders who represent less than one-third of the total outstanding shares, the Chairperson may promulgate that the meeting be aborted.</p> <p><b><u>Where even with two deferments as mentioned in the preceding Paragraph, the meeting is still not up to the specified quorum but is attended by shareholders who represent one-third of the aggregate total of outstanding shares, a tentative resolution may be adopted in accordance with Paragraph 1, Article 175 of the Company Act and the tentative resolution so adopted</u></b></p>

	<p><b><u>shall be informed to all shareholders and another Shareholders' Meeting shall be duly convened within one month.</u></b></p> <p><b><u>Until the current meeting is closed, where the number of shares represented by participating shareholders is up to a one half majority, the Chairperson may pose a tentative resolution so adopted to the Shareholders' Meeting for resolution vote process anew in accordance with Article 174 of the Company Act.</u></b></p>
<p>Article XIII. Voting for Resolution</p> <p>Each share held by a shareholder hereof is entitled to one voting power, except for an event subject to restriction or an event without voting power <b><u>under the Articles of Incorporation or laws and regulations.</u></b> Where the Company convenes a Shareholders' Meeting, the Company <b><u>shall</u></b> exercise voting power by electronic means and <b><u>may use such means in writing</u></b>; where the voting power is exercised <b><u>in writing</u></b> or in electronic means, the method(s) of such exercise shall be expressly remarked in the notices for the Shareholders' Meeting. <b><u>Unless otherwise specified in these Articles of Incorporation,</u></b> a shareholder who exercises voting power in writing or in electronic means shall be deemed to have participated in the Shareholders' Meeting in person, but shall be deemed as in abstention for an extraordinary (unscheduled) motion or an amendment to the original proposal. The Company shall, therefore, refrain from posing an extraordinary (unscheduled) motion or an amendment to the original proposal as far as possible.</p> <p>Where a shareholder elects to exercise his/her/its voting power in writing or by means of electronic transmission, his/her/its declaration of intention shall</p>	<p>Article XIII. Voting for Resolution</p> <p>Each share held by a shareholder hereof is entitled to one voting power, except for an event subject to restriction or an event without voting power <b><u>under Paragraph 2, Article 179 of the Company Act.</u></b> Where the Company convenes a Shareholders' Meeting, the Company <b><u>may</u></b> exercise voting power <b><u>in writing</u></b> or by electronic means <b><u>(as expressly provided for in Provison, Paragraph 1, Article 177-1 of the Company Act, where a company adopts electronic means to exercise voting power and where that company convenes a Shareholders' Meeting, it may adopt electronic means and exercise voting power in writing)</u></b>; where the voting power is exercised in writing or by electronic means, the method(s) of such exercise shall be expressly remarked in the notices for the Shareholders' Meeting. A shareholder who exercises voting power in writing or by electronic means shall be deemed to have participated in the Shareholders' Meeting in person, but shall be deemed as in abstention for an extraordinary (unscheduled) motion or an amendment to the original proposal. The Company shall, therefore, refrain from posing an extraordinary (unscheduled) motion or an amendment to the original</p>



<p>be served to the Company two (2) days prior to the scheduled meeting date of the Shareholders' Meeting, whereas if two or more declarations of the same intention are served to the Company, the first declaration of such intention received shall prevail; unless an explicit statement to revoke the previous declaration is made in the declaration which comes later.</p> <p>Where a shareholder who has exercised his/her/its voting power in writing or by means of electronic transmission intends to attend the Shareholders' Meeting in person, he/she/it shall, two days prior to the meeting date of the scheduled Shareholders' Meeting and in the same manner previously used in exercising his/her/its voting power, serve a separate declaration of intention to rescind his/her/its previous declaration of intention made in exercising the voting power under the preceding Paragraph Two. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by means of electronic transmission shall prevail. Where a shareholder has exercised his/her/its voting power in writing or by means of electronic transmission, and has also authorized a proxy to attend the Shareholders' Meeting in his/her/its behalf, then the voting power exercised by the authorized proxy for said shareholder shall prevail.</p> <p>Unless otherwise provided for in the Company Act and the Company's Articles of Incorporation, a decision in a Shareholders' Meeting shall be resolved by over a one half majority vote in the meeting which is attended by shareholders who represent over a one half majority of the total issued shares. During the voting process, the Chairperson or a person appointed thereby shall, on a case-by-case basis,</p>	<p>proposal as far as possible.</p> <p>Where a shareholder elects to exercise his/her/its voting power in writing or by means of electronic transmission, his/her/its declaration of intention shall be served to the Company two (2) days prior to the scheduled meeting date of the Shareholders' Meeting, whereas if two or more declarations of the same intention are served to the Company, the first declaration of such intention received shall prevail; unless an explicit statement to revoke the previous declaration is made in the declaration which comes later.</p> <p>Where a shareholder who has exercised his/her/its voting power in writing or by means of electronic transmission intends to attend the Shareholders' Meeting in person, he/she/it shall, two days prior to the meeting date of the scheduled Shareholders' Meeting and in the same manner previously used in exercising his/her/its voting power, serve a separate declaration of intention to rescind his/her/its previous declaration of intention made in exercising the voting power under the preceding Paragraph Two. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by means of electronic transmission shall prevail. Where a shareholder has exercised his/her/its voting power in writing or by means of electronic transmission, and has also authorized a proxy to attend the Shareholders' Meeting in his/her/its behalf, then the voting power exercised by the authorized proxy for the said shareholder shall prevail.</p> <p>Unless otherwise provided for in the Company Act and the Company's Articles of Incorporation, a decision in a Shareholders' Meeting shall be resolved by over a one half majority vote in the</p>
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<p>announce the aggregate total number of the voting power represented by participating shareholders before the shareholders vote for decisions on a case-by-case basis. The outcome of consents, objections, and abstentions by shareholders shall be input into the Market Observation Post System (MOPS) on the very day on which the Shareholders' Meeting is convened.</p> <p>Where the same motion is accompanied with an amendment or a substitution, the Chairperson shall combine it with the principal motion to fix the priority order of voting. Where one of the motions is resolved, other motion(s) shall be deemed to have been vetoed and will no longer be voted on.</p> <p>During the voting process, the ballot scrutinizers and ballot counters shall be designated by the Chairperson. A ballot scrutinizer shall, nevertheless, be appointed from among shareholders.</p> <p>During the voting or election process in a Shareholders' Meeting, the ballot counting shall be conducted in an open place inside the venue for the Shareholders' Meeting. Upon completion of the counting process, the outcome shall be announced on-the-spot, including the number in statistical weights for which the record should be duly conducted.</p>	<p>meeting which is attended by shareholders who represent over a one half majority of the total issued shares. During the voting process, the Chairperson or a person appointed thereby shall, on a case-by-case basis, announce the aggregate total number of the voting power represented by participating shareholders before the shareholders vote for decisions on a case-by-case basis. The outcome of consents, objections, and abstentions by shareholders shall be input into the Market Observation Post System (MOPS) on the very day on which the Shareholders' Meeting is convened.</p> <p>Where the same motion is accompanied with an amendment or a substitution, the Chairperson shall combine it with the principal motion to fix the priority order of voting. Where one of the motions is resolved, other motion(s) shall be deemed to have been vetoed and will no longer be voted on.</p> <p>During the voting process, the ballot scrutinizers and ballot counters shall be designated by the Chairperson. A ballot scrutinizer shall, nevertheless, be appointed from among shareholders.</p> <p>During the voting or election process in a Shareholders' Meeting, the ballot counting shall be conducted in an open place inside the venue for the Shareholders' Meeting. Upon completion of the counting process, the outcome shall be announced on-the-spot, including the number in statistical weights for which the record should be duly conducted.</p>
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## Appendix No. VIII

### Regulations Governing the Election of Directors Pre-amendment and Post-amendment Contents in Comparison

Post-amendment Contents	Pre-amendment Contents
<p>Article IV.</p> <p>The Company's directors shall be duly elected through the candidate nomination system as set forth under Article 192-1 of the Company Act. <b><u>Unless otherwise specified in laws and ordinances,</u></b> the Company shall not arbitrarily <b><u>request submittal</u></b> of supporting documents for qualification requirements and shall put <b><u>the name list of the candidates for directors and their academic degrees and hands-on career experience into public announcement. The shareholders shall elect from candidates as shown through the director candidate list.</u></b></p>	<p>Article IV</p> <p>The Company's directors shall be duly elected through the candidate nomination system as set forth under Article 192-1 of the Company Act. <b><u>Where the Company reviews the qualification conditions, academic degrees, and hands-on career backgrounds, and the facts with or without those set forth under Article 30 of the Company Act, the Company shall not absolutely arbitrarily add a request of other additional supporting certificates for qualification conditions and shall provide the outcome of review to shareholders for reference so as to elect eligible directors.</u></b></p>
<p>Article V. The Company shall elect directors through the accumulated balloting system. Each share shall be used to cast election power equivalent to the number of directors to be elected and may be centralized to elect one candidate or allocated to elect several candidates. <b><u>The Board of Directors shall prepare the election ballots in a number equivalent to the number of directors to be elected and shall fill in the number of election weights and distribute such to all shareholders.</u></b></p>	<p>Article V. The Company shall elect directors through the accumulated balloting system. Each share shall be used to cast election power equivalent to the number of directors to be elected and may be centralized to elect one candidate or allocated to elect several candidates.</p>
<p>Article VIII.</p> <p>Where shareholders cast ballots on-the-spot, the Company shall prepare balloting box(es). The Chairperson shall appoint a certain number of ballot scrutinizers and ballot counters, <b><u>where, the ballot</u></b></p>	<p>Article VIII.</p> <p>Where shareholders cast ballots on-the-spot, the Company shall prepare balloting box(es). The Chairperson shall appoint a certain numbers of ballot scrutinizers and ballot counters to exercise their</p>

<p><b><u>scrutinizer(s) shall be appointed from among shareholders</u></b> to exercise their respective duties. The ballot scrutinizers shall check and verify the ballot box(es) in public before the balloting process.</p>	<p>respective duties. The ballot scrutinizers shall check and verify the ballot box(es) in public before the balloting process.</p>
<p>Article XI. The ballots shall be opened on-the-spot upon completion of the balloting process. The outcome of the election shall be announced by the Chairperson on-the-spot, <b><u>including the list of the elected directors and the election weights so won by the successful candidate(s).</u></b></p>	<p>Article XI. The ballots shall be opened on-the-spot upon completion of the balloting process. The outcome of the election shall be announced by the Chairperson on-the-spot</p>

## Procedures for the Acquisition or Disposal of Assets Pre-amendment and Post-amendment Contents in Comparison

Post-amendment Contents	Pre-amendment Contents	Descriptions
<p>Article III. Scope of Assets</p> <p>I. Negotiable Securities: 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.</p> <p>II. Real property (including land, houses and buildings, investment property, and construction enterprise inventory), and equipment.</p> <p>III. Memberships.</p> <p>IV. Patents, copyrights, trademarks, franchise rights, and such intangible assets.</p> <p><b><u>V. Right-of-use assets.</u></b></p> <p><b><u>VI.</u></b> Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</p> <p><b><u>VII.</u></b> Derivative financial instruments.</p> <p><b><u>VIII.</u></b> Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with the law.</p>	<p>Article III. Scope of Assets</p> <p>I. Negotiable Securities: 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.</p> <p>II. Real property (including land, houses and buildings, investment property, <b><u>land usage rights</u></b>, and construction enterprise inventory), and equipment.</p> <p>III. Memberships.</p> <p>IV. Patents, copyrights, trademarks, franchise rights, and such intangible assets.</p> <p>V. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</p> <p>VI. Derivative financial instruments.</p> <p>VII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with the law.</p>	<p>I. In coordination with the requirements set forth under the International Financial Reporting Standards (IFRS) XVI, Paragraph V is added to expand the scope of the right-of-use assets, with the current Paragraph II being relocated to Subparagraph V.</p> <p>II. The current Subparagraphs V-VIII are relocated to Subparagraphs VI-IX.</p>

<b><u>IX.</u></b> Other key assets concerned.	VIII. Other key assets concerned.	
<p>Article IV. Definition of Terms</p> <p>I. Derivative Financial Instruments: This term refers to forward contracts, options contracts, futures contracts, leverage guarantee contracts, or swap contracts, the value of which is derived from a <b><u>specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variables;</u></b> or hybrid contracts combining <b><u>the above contracts; or hybrid contracts or structured products</u></b> containing embedded derivatives. The term "forward contracts" excludes insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.</p> <p>II. Assets Acquired or Disposed of Through Mergers, Demergers, Acquisitions, or Transfer of Shares in Accordance With the Law: This term refers to assets acquired or disposed of through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions</p>	<p>Article IV. Definition of Terms</p> <p>I. Derivative Financial Instruments: This term refers to forward contracts, options contracts, futures contracts, leverage guarantee contracts, or swap contracts, the value of which is derived from an asset, interest rate, index or other interest. The term "forward contracts" excludes insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.</p> <p>II. Assets Acquired or Disposed of Through Mergers, Demergers, Acquisitions, or Transfer of Shares in Accordance With the Law: This term refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act, and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter referred to as "transfer of shares") under Paragraph 8, Article 156 of</p>	<p>I. In coordination with the term of financial instruments as defined under the International Financial Reporting Standards (IFRS) No. 9, to amend Paragraph I, the scope of the derivative instruments under the Procedures, along with amendment of wording as appropriate.</p> <p>II. Where the latest amendment to the Company Act promulgated on August 1, 2018 was put into enforcement on November 1, 2018, the amendment is duly conducted accordingly, with Paragraph 8, Article 156 of the second paragraph amended to Article 156~3.</p>

<p>Act, Financial Holding Company Act, Financial Institution Merger Act, and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter referred to as "transfer of shares") under Article 156-3 of the Company Act.</p> <p>III. To be duly identified based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>IV. Professional Appraisers: This refers to real estate appraisers or other specialists who engage in appraisal services for real estate and equipment according to the law.</p> <p>V. Date of Occurrence of the Fact: This term refers to the date of execution of the agreement for a transaction, payment, success of a commissioned deal, ownership transfer registration, resolution of a decision by the Board of Directors, or other date on which the transaction target and transaction amount can be ascertained, whichever comes the earlier. In the case of an investment that calls for approval by the competent authority, the aforementioned date or the date on which the competent authority grants approval, whichever comes</p>	<p>the Company Act.</p> <p>III. To be duly identified based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>IV. Professional Appraisers: This refers to real estate appraisers or other specialists who engage in appraisal services for real estate and equipment according to the law.</p> <p>V. Date of Occurrence of the Fact: This term refers to the date of execution of the agreement for a transaction, payment, success of a commissioned deal, ownership transfer registration, resolution of a decision by the Board of Directors or other date on which the transaction target and transaction amount can be ascertained, whichever comes the earlier. In the case of an investment that calls for approval by the competent authority, the aforementioned date or the date on which the competent authority grants approval, whichever comes earlier.</p> <p>VI. Investment in Mainland China: This refers to investment in Mainland China in accordance with the regulations governing permit of investment or technical cooperation in Mainland China as</p>	
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<p>earlier.</p> <p>VI. Investment in Mainland China: This refers to investment in Mainland China in accordance with the regulations governing permit of investment or technical cooperation in Mainland China as promulgated by the Investment Commission, Ministry of Economic Affairs.</p> <p>VII. The term “within the period of one year” as set forth herein denotes a base on the date of occurrence of the present transaction, for a period of one year retrospectively prior thereto. For an event for which the appraisal report issued by a professional appraiser or the opinions from a Certified Public Accountant have been obtained, it is no longer required to be counted in.</p> <p>VIII. The term “financial statements of the latest term” as set forth herein denotes the financial statements duly audited or certified by a Certified Public Accountant duly made public and obtained by the Company before acquisition or disposal of assets.</p>	<p>promulgated by the Investment Commission, Ministry of Economic Affairs.</p> <p>VII. The term “within the period of one year” as set forth herein denotes a base on the date of occurrence of the present transaction, for the period of one year retrospectively prior thereto. For an event for which the appraisal report issued by a professional appraiser or the opinions from a Certified Public Accountant have been obtained, it is no longer required to be counted in.</p> <p>VIII. The term “financial statements of the latest term” as set forth herein denotes the financial statements duly audited or certified by a Certified Public Accountant duly made public and obtained by the Company before acquisition or disposal of assets.</p>	
<p>Article VI. Where the Company obtains an appraisal report or expert opinions from a Certified Public Accountant, Attorney-at-Law, or</p>	<p>Article VI. Where the Company obtains an appraisal report or expert opinions from a Certified Public Accountant, Attorney-at-Law, or</p>	<p>I. To simplify laws and regulations, this part covers all professional appraisers, appraising officers, Certified Public Accountants, lawyers, or</p>



<p>securities underwriter, such professional appraiser, appraising personnel, Certified Public Accountant, Attorney-at-Law, or securities underwriter shall satisfy the following requirements:</p> <p>I. Shall not have previously received a final and unappealable sentence of imprisonment for 1 year or longer for a violation of this Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>II. Shall not be a related party or de facto related party of any party to the transaction.</p> <p>III. Where 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</p>	<p>securities underwriter, such professional appraiser, appraising personnel, Certified Public Accountant, Attorney-at-Law, or securities underwriter shall not be a related party with the counterparty in the transaction.</p>	<p>security underwriters as defined by the Securities &amp; Futures Commission, Ministry of Finance with Letter Tai-Tsai-Zheng-I-Zi 0920001151 dated March 21, 2003, in the Supplementary Rules, Article 4 of the Procedures. Further, with reference to the provisions set forth under Subparagraph 4, Article 53 of the Securities and Exchange Act regarding negative qualifications for directors and supervisors as well as managerial officers, and Subparagraph 15, Paragraph 1, Article 8 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers about the good faith management policies of the issuers or the principals thereof, provisions in Subparagraphs 1-3, Paragraph 1 are newly added, with express provision of the negative qualifications with abolishment of the aforementioned decree.</p> <p>II. To expressly define the responsibility of an outsourced expert, with reference to the relevant evaluation, audit, and declaration regarding a Certified Public Accountant in rationality of an appraisal report upon investment oriented real estate as set forth under Article 9 of the</p>
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<p>parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following requirements:</p> <p>I. Prior to accepting a case, they shall prudently check and make sure of their own professional capabilities, practical experience, and independence.</p> <p>II. Upon examining a case, they shall appropriately plan and execute adequate working procedures, in order to come to a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case worksheets.</p> <p>III. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and rationality of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information</p>		<p>Regulations Governing the Preparation of Financial Reports by Securities Issuers, Paragraph 2 is newly added to expressly provide key points in evaluation, audit, and declaration in an appraisal report or statutory opinions by a relevant expert under said Regulations.</p>
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used is rational and accurate, and that they have complied with applicable laws and regulations.		
<p>Article VIII. Handling Procedures to Acquire or Dispose of Real Estate, Equipment, or Assets With Rights to Use</p> <p>I. Evaluation and Operating Procedures</p> <p>When the Company acquires or disposes of real estate, <b><u>equipment, or the right-of-use assets</u></b> thereof, the Company shall duly handle the case in accordance with the Company's internal control system, in the circulatory handling procedures for real estate, plants, and equipment. II. Procedures to Determine Terms of Transaction and Credit Limit of Authorization</p> <p>1. When acquiring or disposing of real estate, the Company shall take reference to the official land price last promulgated by the government, prices substantially transacted in the neighboring area, conditions of transaction, and prices of thousands to work out an analytical report and submit it to the Chairperson. In a case valued below Renminbi (RMB) 6 million, the case should be submitted to the Chairperson for approval and reporting of information to the most</p>	<p>Article VIII. Handling Procedures to Acquire or Dispose of Real Estate and Equipment</p> <p>I. Evaluation and Operating Procedures</p> <p>When the Company acquires or disposes of real estate or equipment, the Company shall duly handle the case in accordance with the Company's internal control system, in the circulatory handling procedures for real estate, plants, and equipment. II. Procedures to Determine Terms of Transaction and Credit Limit of Authorization</p> <p>1. When acquiring or disposing of real estate, the Company shall take reference to the official land price last promulgated by the government, prices substantially transacted in the neighboring area, conditions of transaction, and prices of thousands to work out an analytical report and submit it to the Chairperson. In a case valued below Renminbi (RMB) 5 million, the case should be submitted to the Chairperson for approval and reporting of information to the most recent Board of Directors meeting. Such a case in</p>	<p>I. The term “government authority” as set forth under Paragraph 1 denotes the government authorities in both the central and local levels, with the prime consideration that in the case of a transaction with the government authorities in both the central and local levels, it calls for open tender or price competition where the price is less likely to be manipulated and the process to acquire expert opinion is exempted as a result. In the case of a transaction with a foreign government, where the relevant provisions and price negotiation are likely to be ambiguous, the case should not be covered within the waiver under this Article. Paragraph 1 is, therefore, amended to expressly denote only the domestic government authority.</p> <p>II. Paragraph 1 is duly amended in coordination with the leasehold gazette under the International Financial Reporting Standards (IFRS) XVI to have the leasehold assets covered under this Article.</p>

<p>recent Board of Directors meeting. Such a case in excess of Renminbi (RMB) 6 million shall not be handled until it is submitted to and approved by the general manager and further approved by the Board of Directors.</p> <p>2. When acquiring or disposing of equipment <b><u>or the right-of-use assets</u></b> thereof, the Company shall handle issues through one among price inquiry, price comparison, price negotiation, or open tender. In a case valued below Renminbi (RMB) 6 million (inclusive), the case should be subject to approval level by level under regulations for authorization. Such a case in excess of Renminbi (RMB) 6 million shall not be handled until it is submitted to and approved by the general manager and further approved by the Board of Directors.</p> <p>3. When the Company acquires or disposes of assets which call for a pass by the Board of Directors as required under the handling procedures or other statutory provisions, in the event that a director objects as backed with record or documented declaration, the Company shall hand the data of such objection by the director to all supervisors. Where the Company has set independent directors and</p>	<p>excess of Renminbi (RMB) 5 million shall not be handled until it is submitted to and approved by the general manager and further approved by the Board of Directors.</p> <p>2. When acquiring or disposing of equipment or the right-of-use assets thereof, the Company shall handle issues through one among price inquiry, price comparison, price negotiation, or open tender. In a case valued below Renminbi (RMB) 5 million (inclusive), the case should be subject to approval level by level under regulations for authorization. Such a case in excess of Renminbi (RMB) 5 million shall not be handled until it is submitted to and approved by the general manager and further approved by the Board of Directors.</p> <p>3. When the Company acquires or disposes of assets which call for a pass by the Board of Directors as required under the handling procedures or other statutory provisions, in the event that a director objects as backed with record or documented declaration, the Company shall hand the data of such objection by the director to all supervisors. Where the Company has set independent directors and when a case of acquiring or disposing of assets is</p>	
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<p>when a case of acquiring or disposing of assets is submitted to the Board of Directors for discussion, the opinions of the independent directors shall be taken into adequate account and their opinions, both consent and objection as well as the reasons, should be entered into minutes of the meeting.</p> <p>III. Unit of Execution</p> <p>When the Company acquires or disposes of real estate, <b><u>equipment, or the right-of-use assets</u></b> thereof, after the case is duly reported to and approved under the powers and authorities mentioned in the preceding Paragraph, the case shall be duly executed by the user department in concert with the management department.</p> <p>IV. Real Estate or Equipment Appraisal Reports</p> <p>When the Company acquires or disposes of real estate, <b><u>equipment, or the right-of-use assets</u></b> thereof, except a case of transaction with the <b><u>domestic</u></b> government, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment <b><u>or right-of-use assets</u></b> thereof held for business use where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300</p>	<p>submitted to the Board of Directors for discussion, the opinions of the independent directors shall be taken into adequate account and their opinions, both consent and objection as well as the reasons, should be entered into minutes of the meeting.</p> <p>III. Unit of Execution</p> <p>When the Company acquires or disposes of real estate or equipment, after the case is duly reported to and approved under the powers and authorities mentioned in the preceding Paragraph, the case shall be duly executed by the user department in concert with the management department.</p> <p>IV. Real Estate or Equipment Appraisal Reports</p> <p>When the Company acquires or disposes of real estate, except a case of transaction with the domestic government, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million (equivalent to approximately Renminbi (RMB) 60 million) or more, the Company shall</p>	
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<p>million (equivalent to approximately Renminbi (RMB) 60 million) or more, the Company shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to a special circumstance it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; this <u>same</u> provision is applicable <i>mutatis mutandis</i> to an event <u>where</u> the terms of transaction are changed.</p> <p>2. Where the transaction amount is NT\$1 billion (equivalent approximately to Renminbi (RMB) 200 million) or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a</p>	<p>obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to a special circumstance it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; where the conditions of transaction are changed thereafter, the aforementioned procedures shall equally apply.</p> <p>2. Where the transaction amount is NT\$1 billion (equivalent approximately to Renminbi (RMB) 200 million) or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the</p>	
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<p>certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of the Statement of Auditing Standards No. 20 published by the Republic of China Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the rationality of the transaction price</p> <p>3.1 Where the differential gap between the evaluation outcome and the transaction amount exceeds 20% of the transaction amount;</p> <p>3.2 Where the differential gap between the appraisal results among two or more professional appraisers exceeds 10%.</p> <p>4. The time gap between the date when a present appraiser issues the report and the date of execution of the contract shall not exceed three (3) months. Where such period is subject to the official land price last promulgated by the government within the same term and does not exceed six months, that original professional appraiser may issue opinions in writing.</p>	<p>provisions of the Statement of Auditing Standards No. 20 published by the Republic of China Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the rationality of the transaction price.</p> <p>3.1 Where the differential gap between the evaluation outcome and the transaction amount exceeds 20% of the transaction amount;</p> <p>3.2 Where the differential gap between the appraisal results among two or more professional appraisers exceeds 10%.</p> <p>4. The time gap between the date when a present appraiser issues the report and the date of execution of the contract shall not exceed three (3) months. Where such period is subject to the official land price last promulgated by the government within the same term and does not exceed six months, that original professional appraiser may issue opinions in writing.</p>	
<p>Article XI. Handling Procedures to Acquire or Dispose of <b><u>Intangible Assets, Rights to Use, or</u></b></p>	<p>Article XI. Handling Procedures to Acquire or Dispose of Memberships or</p>	<p>With reason for amendment the same as that under Note Nos. 1 and 2 under Article VIII with</p>

<p><b><u>Memberships</u></b></p> <p>I. Evaluation and Operating Procedures</p> <p>The Company shall, while acquiring or disposing of intangible assets or other right-of-use assets or memberships, duly handle issues exactly in accordance with the Company's internal control system, in the part of operation in property management.</p> <p>II. Procedures to Determine Terms of Transaction and Credit Limit of Authorization</p> <p>1. A company that acquires or disposes of memberships shall take reference to the fair price in the market, resolved terms of transaction, and transaction prices to work out an analytical report and submit it to the general manager. Where the amount is below 10% of the paid-in capital or below Renminbi (RMB) 6 million, the issue should be submitted to the Chairperson for approval and reported to the latest Board of Directors meeting for information. In a case in excess of Renminbi (RMB) 6 million, it shall be submitted to and resolved by the Board of Directors beforehand.</p> <p>2. When acquiring or disposing of <b><u>intangible assets or right-of-use</u></b></p>	<p>Intangible Assets</p> <p>I. Evaluation and Operating Procedures</p> <p>The Company shall, while acquiring or disposing of intangible assets or memberships, duly handle issues exactly in accordance with the Company's internal control system, in the part of operation in property management.</p> <p>II. Procedures to Determine Terms of Transaction and Credit Limit of Authorization</p> <p>1. A company that acquires or disposes of memberships shall take reference to the fair price in the market, resolved terms of transaction, and transaction prices to work out an analytical report and submit it to the general manager. Where the amount is below 10% of the paid-in capital or below Renminbi (RMB) 6 million, the issue should be submitted to the Chairperson for approval and reported to the latest Board of Directors meeting for information. In a case in excess of Renminbi (RMB) 6 million, it shall be submitted to and resolved by the Board of Directors beforehand.</p> <p>2. When acquiring or disposing of intangible assets, the Company shall take reference to expert(s)</p>	<p>amendment of wording as appropriate.</p>
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<p><b>assets</b>, the Company shall take reference to expert(s) with appraisal report(s) or fair prices in the markets to resolve the transaction conditions and transaction prices to work out an analytical report and submit it to the Chairperson. In a case valued below 20% of the paid-in capital or Renminbi (RMB) 6 million, the case should be submitted to the Chairperson for approval and reported for information to the most recent Board of Directors meeting. Such a case in excess of Renminbi (RMB) 6 million shall not be handled until submitted to and resolved by the Board of Directors.</p> <p>3. When the Company acquires or disposes of assets which call for a pass by the Board of Directors as required under the handling procedures or other statutory provisions, in the event that a director objects as backed with record or documented declaration, the Company shall hand the data of such objection to all supervisors. Where the Company has set independent directors and when a case of acquiring or disposing of assets is submitted to the Board of Directors for discussion, the opinions of the independent directors shall be taken into</p>	<p>with appraisal report(s) or fair prices in the markets to resolve the transaction conditions and transaction prices to work out an analytical report and submit it to the Chairperson. In a case valued below 20% of the paid-in capital or Renminbi (RMB) 6 million, the case should be submitted to the Chairperson for approval and reported for information to the most recent Board of Directors meeting. Such a case in excess of Renminbi (RMB) 6 million shall not be handled until it is submitted to and resolved by the Board of Directors.</p> <p>3. When the Company acquires or disposes of assets which call for a pass by the Board of Directors as required under the handling procedures or other statutory provisions, in the event that a director objects as backed with record or documented declaration, the Company shall hand the data of such objection to all supervisors. Where the Company has set independent directors and when a case of acquiring or disposing of assets is submitted to the Board of Directors for discussion, the opinions of the independent directors shall be taken into adequate account and their opinions, both consent and</p>	
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<p>adequate account and their opinions, both consent and objection as well as the reasons, should be entered into minutes of the meeting.</p> <p>III. Unit of Execution</p> <p>The Company shall, when acquiring or disposing of <b><u>intangible assets or right-of-use assets or memberships</u></b>, duly submit for approval based on the powers and authorities set forth under the preceding Paragraph before the user department and Department of Finance or the administrative department assume(s) responsibility for execution.</p> <p>IV. Report of Opinions by Expert(s) in <b><u>Intangible Assets, Right-of-use Assets, or Memberships</u></b></p> <p>1. The Company, when acquiring or disposing of memberships with the amount of transaction up to 10% of the paid-in capital or in excess of Renminbi (RMB) 6 million, shall retain an expert to issue an appraisal report.</p> <p>2. The Company, when acquiring or disposing of <b><u>intangible assets or assets of right to use</u></b> with the amount of transaction up to 20% of the paid-in capital or in excess of Renminbi (RMB) 6 million, shall retain an expert to issue an appraisal report.</p> <p>3. When the Company</p>	<p>objection as well as the reasons, should be entered into minutes of the meeting.</p> <p>III. Unit of Execution</p> <p>The Company shall, when acquiring or disposing of memberships or intangible assets, duly submit for approval based on the powers and authorities set forth under the preceding Paragraph before the user department and Department of Finance or the administrative department assume(s) responsibility for execution.</p> <p>IV. Report of Opinions by Expert(s) in Memberships or Intangible Assets</p> <p>1. The Company, when acquiring or disposing of memberships with the amount of transaction up to 10% of the paid-in capital or in excess of Renminbi (RMB) 6 million shall retain an expert to issue an appraisal report.</p> <p>2. The Company, when acquiring or disposing of intangible assets with the amount of transaction up to 20% of the paid-in capital or in excess of Renminbi (RMB) 6 million shall retain an expert to issue an appraisal report.</p> <p>3. When the Company acquires or disposes of memberships or assets with the amount of transaction up to 20% of the paid-in</p>	
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<p>acquires or disposes of <b><u>intangible assets or assets of right to use or memberships</u></b> with the amount of transaction up to 20% of the paid-in capital or NT\$300 million (approximately equivalent to RMB60 million), except a case of transaction with a government authority, the Company shall consult a Certified Public Accountant before the date of occurrence of the fact for opinions about the rationality. The Certified Public Accountant(s) shall duly take charge of the issue in accordance with the Statement of General Auditing Procedures No. 20 published by the ARDF, Republic of China.</p>	<p>capital or NT\$300 million (approximately equivalent to RMB60 million), except a case of transaction with a government authority, the Company shall consult a Certified Public Accountant before the date of occurrence of the fact for opinions about the rationality. The Certified Public Accountant(s) shall duly take charge of the issue in accordance with the Statement of General Auditing Procedures No. 20 published by the ARDF, Republic of China.</p>	
<p>Article XII. Procedures for the Acquisition or Disposal of Assets</p> <p>I. Transaction Principles and Policies</p> <p>1. Aggregate Total Amount of Transaction</p> <p>1.1. The derivatives engaged by the Company denote transaction contracts (e.g., forward contracts, options contracts, futures contracts, <b><u>leverage contracts, or swap contracts, or the combination of the above embedded derivatives contracts in combination or structured products</u></b>) whose value is derived from a <b>specified interest</b></p>	<p>Article XII. Procedures for the Acquisition or Disposal of Assets</p> <p>I. Transaction Principles and Policies</p> <p>1. Aggregate Total Amount of Transaction</p> <p>1. The derivatives engaged by the Company denote transaction contracts (e.g., forward contracts, options, futures, interest rate, exchange rate swap, and the combination of the above) whose value is derived from assets, interest rate, exchange rate, index, or other interests.</p>	<p>I. In coordination with the term of financial instruments as defined under the International Financial Reporting Standards (IFRS) No. 9, to amend Paragraph 1, the scope of the derivatives hereunder, along with the amendment of wording as appropriate.</p>

<p><b>rate, financial instrument price, commodity price, foreign exchange rate, <u>index of prices</u> or rates, <u>credit rating, or credit index, or other variables.</u></b></p>		
<p>Article XII. Procedures for the Acquisition or Disposal of Assets</p> <p>III. Internal Audit System</p> <p>Internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors or the independent directors shall be notified in writing.</p> <p><b><u>In the case of a company that has set up an Audit Committee, the provisions set forth under the preceding Paragraph applicable to the supervisors are applicable mutatis mutandis to the Audit Committee members,</u></b></p>	<p>Article XII. Procedures for the Acquisition or Disposal of Assets</p> <p>III. Internal Audit System</p> <p>Internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors or the independent directors shall be notified in writing.</p>	<p>It expressly provides that a company which has set up the Audit Committee shall keep the Audit Committee informed in writing of a significant violation in derivative financial instruments.</p>
<p>Article XIII. Procedures to Proceed With Merger, Demerger, Acquisition, or Transfer of Shares</p> <p>II. Other Key Points for Attention</p> <p>(5) Where a company</p>	<p>Article XIII. Procedures to Proceed With Merger, Demerger, Acquisition, or Transfer of Shares</p> <p>II. Other Key Points for Attention</p> <p>(5) Where a company</p>	<p>Amendment of wording as appropriate.</p>

<p>participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, that company so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the <b>two preceding</b> paragraphs.</p>	<p>participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, that company so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of Paragraphs 3 and 4.</p>	
<p>Article XV. The Company's subsidiaries shall duly handle in accordance with the provisions as enumerated below:</p> <p>II. Where a subsidiary is not a listed public company where the assets acquired or disposed of are up to the standards/criteria promulgated under the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", the parent company shall conduct the promulgation and declaration for and on behalf of its subsidiary.</p>	<p>Article XV. The Company's subsidiaries shall duly handle in accordance with the provisions as enumerated below:</p> <p>II. Where a subsidiary is not a listed public company where the assets acquired or disposed of are up to the standards/criteria promulgated under Chapter Three of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", the parent company shall conduct the promulgation and declaration for and on behalf of its subsidiary.</p>	<p>Amendment of wording as appropriate.</p>



**EXEMPTED** Company Registered and  
filed as No. 315349 On 21-Sep-2016

  
Assistant Registrar

Appendix No. I: Articles of Incorporation

# THE CAYMAN ISLANDS

## THE COMPANIES LAW (AS AMENDED)

### Articles of Association

of

**Luo Lih-Fen Holding Co., Ltd.**

羅麗芬控股股份有限公司



EXEMPTED Company Registered and  
filed as No. 315349 On 21-Sep-2016

Assistant Registrar

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**THE CAYMAN ISLANDS**  
**THE COMPANIES LAW (AS AMENDED) ARTICLES OF**  
**ASSOCIATION**  
**OF**

**Luo Lih-Fen Holding Co., Ltd.**

羅麗芬控股股份有限公司

(the “Company”)

**1. Table A**

The Table ‘A’ in the First Schedule of The Companies Law (As Amended) shall not apply to this Company and the following shall constitute the Articles of Association of the Company.

**2. Definitions and Interpretation**

- 2.1 References in these Articles of Association (“**Articles**”) to the “**Companies Law**” shall mean The Companies Law (As Amended) of the Cayman Islands and any statutory amendments or re-enactment thereof. In these Articles, save where the content otherwise requires:

“**Directors**” and “**Board of Directors**” means the Directors of the Company for the time being, or as the case may be, the Directors assembled as a board or as a committee thereof, and “**Director**” means any one of the Directors;

“**Members**” means those persons whose names are entered in the register of members as the holders of shares and includes each subscriber of the Memorandum pending the issue to him of the subscriber share or shares, and “**Member**” means any one of them;

“**Memorandum of Association**” means the Memorandum of Association of the Company, as amended and re-stated from time to time;

“**Ordinary Resolution**” means a resolution:

passed by a simple majority of such Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Member is entitled; or

approved in writing by all of the Members entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Members and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments if more than one, is executed;

“**Paid up**” means paid up as to the par value and any premium payable in respect of the issue of any shares and includes credited as paid up;

“**Register of Members**” means the register to be kept by the Company in accordance with Section 40 of the Companies Law;



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**“Seal”** means the Common Seal of the Company (if any) including any facsimile thereof;

**“Shares”** means shares in the capital of the Company, including a fraction of any of them and **“Share”** means any one of them;

**“Special Resolution”** means a resolution passed in accordance with Section 60 of the Companies Law, being a resolution:

- (a) passed by a majority of not less than two-thirds of such Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a Special Resolution has been duly given and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Member is entitled, or
- (b) approved in writing by all of the Members entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Members and the effective date of the Special Resolution so adopted shall be the date on which the instrument or the last of such instruments if more than one, is executed.

- 2.2 In these Articles, words and expressions defined in the Companies Law shall have the same meaning and, unless otherwise required by the context, (a) the singular shall include the plural and vice versa; (b) the masculine shall include the feminine and the neuter and references to persons shall include companies and all legal entities capable of having a legal existence; (c) “may” shall be construed as permissive and “shall” shall be construed as imperative; (d) a reference to a dollar or dollars (or \$) is a reference to dollars of the United States of America; and (e) references to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force.

### 3. Share Certificates

- 3.1 Every person whose name is entered as a Member in the Register of Members, shall without payment, be entitled to a share certificate signed by a Director of the Company specifying the share or shares held and the amount paid up thereof, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one share certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.
- 3.2 If a share certificate is worn out, lost or defaced, it may be renewed on production of the worn out or defaced certificate, or on satisfactory proof of its loss together with such indemnity as the Directors may reasonably require. Any Member receiving a share certificate shall indemnify and hold the Company and its officers harmless from any loss or liability which it or they may incur by reason of wrongful or fraudulent use or representation made by any person by virtue of the possession of such a share certificate.

### 4. Issue of Shares

- 4.1 Subject to the provisions of these Articles, the unissued shares of the Company (whether forming part of the original or any increased authorised shares) shall be at the disposal of the Directors who may offer, allot, grant options over or otherwise dispose of them to such persons at such times and for such consideration, and upon such terms and conditions as the Directors may determine.





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- 4.2 The Company may in so far as may be permitted by Companies Law, pay a commission to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any shares. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

## **5. Variation of Rights Attaching to Shares**

- 5.1 If at any time the share capital of the Company is divided into different classes of shares, the rights attaching to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied or abrogated with the consent in writing of the holders of two-thirds of the issued shares of that class, or with the sanction of a resolution passed by at least a two-thirds majority of the holders of shares of the class present in person or by proxy at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these Articles relating to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be at least one person holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.
- 5.2 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 varied by the creation or issue of further shares ranking *pari passu* therewith or by the redemption or purchase of shares of any class by the Company.
- 5.3 The Company shall not issue shares to bearer form.

## **6. Transfer of Shares**

- 6.1 Subject to such of the restriction of these Articles as may be applicable, any Member may transfer all or any of his shares by an instrument in writing in any usual or common form or any other form which the Directors may approve or on behalf of the transferor and if in respect of a nil or partly paid up share or if so required by the Directors shall also be executed on behalf of the transferee and shall be accompanied by the certificate of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.
- 6.2 The Directors may in their absolute discretion to decline to register any transfer of any share, whether or not it is a fully paid share, without assigning any reason for so doing. If the Directors refuse to register a transfer they shall within 2 months of the date on which the transfer was lodged with the Company send to the transferor and transferee notice of the refusal.
- 6.3 All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall (except in any case of fraud) be returned to the person depositing the same.
- 6.4 The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than 45 days in any year.



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## **7. Transmission of Shares**

- 7.1 In case of the death of a Member, the survivor or survivors, or the legal personal representatives of the deceased survivor, where the deceased was a joint holder, and the legal personal representatives of the deceased, where he was a sole holder, shall be the only persons recognized by the Company as having any title to the shares.
- 7.2 Any person becoming entitled to a share in consequence of the death, bankruptcy, liquidation or dissolution of a Member shall, upon such evidence being produced as may from time to time be properly required by the Directors, and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy, as the case may be.
- 7.3 A person becoming entitled to a share by reason of the death, bankruptcy, liquidation or dissolution of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

## **8. Redemption and Purchase of Own Shares**

- 8.1 Subject to the provisions of the Companies Law, the Company may:
- (a) issue shares on terms that they are to be redeemed or are liable to be redeemed at the option of the Company on such terms and in such manner as the Directors may determine before the issue of such shares;
  - (b) purchase its own shares (including any redeemable shares) on such terms and in such manner as the Directors may determine and agree with the Member; and
  - (c) make a payment in respect of the redemption or purchase of its own shares in any manner permitted by the Companies Law, including out of capital.
- 8.2 A share which is liable to be redeemed by the Company shall be redeemed by the Company giving to the Member notice in writing of the intention to redeem such shares (a "Redemption Notice") and specifying the date of such redemption which must be a day on which banks in the Cayman Islands are open for business.
- 8.3 Any share in respect of which Redemption Notice has been given shall not be entitled to participate in the profits of the Company in respect of the period after the date specified as the date of redemption in the Redemption Notice.
- 8.4 The redemption or purchase of any share shall not be deemed to give rise to the redemption or purchase of any other share.
- 8.5 At the date specified in the Redemption Notice, or the date on which the shares are to be purchased, the holder of the shares being redeemed or purchased shall be bound to deliver up to the Company at its Registered Office the certificate thereof for cancellation and thereupon the Company shall pay to him the redemption or purchase moneys in respect thereof.



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- 8.6 The Directors may when making payments in respect of redemption or purchase of shares, if authorised by the terms of issue of the shares being redeemed or purchased or with the agreement of the holder of such shares, make such payment either in cash or in specie.

## **9. Fractional Shares**

The Directors may issue fractions of a share of any class of shares, and, if so issued, a fraction of a share (calculated to three decimal points) shall be subject to and carry the corresponding fraction of liabilities (whether with respect to any unpaid amount thereon, contribution, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without limitation, voting and participation rights) and other attributes of a whole share of the same class of shares. If more than one fraction of a share of the same class is issued to or acquired by the same Member such fractions shall be accumulated. For the avoidance of doubt, in these Articles the expression “share” shall include a fraction of a share.

## **10. Lien**

- 10.1 The Company shall have a first priority lien and charge on every share (not being a fully paid up share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a first priority lien and charge on all shares (other than fully paid up shares) registered in the name of a member for all moneys presently payable by him or his estate to the Company, but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company’s lien, if any, on a share shall extend to all dividends and other moneys payable in respect thereon.
- 10.2 The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of 14 days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the persons entitled thereto of which the Company has notice, by reason of his death or bankruptcy, winding up or otherwise by operation of Companies Law or court order.
- 10.3 To give effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 10.4 The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale.

## **11. Calls on Shares**

- 11.1 The Directors may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium or otherwise), and each Member shall (subject to receiving at least 14 days’ notice in writing specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The non-receipt of a notice of any call by, or the accidental omission to give notices of a call to, any Members shall not invalidate the call. A call may be revoked or postponed as the Directors may determine.



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- 11.2 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 11.3 If a sum called in respect of a share is remain unpaid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for the payment thereof to the time of the actual payment at such rate not exceeding 10 percent per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of that interest wholly or in part.
- 11.4 Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium or otherwise, shall for the purposes of these Articles be deemed to be a call duly made, notified and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 11.5 The provisions of these Articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
- 11.6 The Directors may make arrangements on the issue of shares, differentiate between the Members, as to the amount of calls to be paid and the times of payment.
- 11.7 The Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding 10 percent per annum (unless the Company in general meeting shall otherwise direct), as may be agreed between the Directors and the Member paying the sum in advance.

## **12. Forfeiture of Shares**

- 12.1 If a Member fails to pay any call or instalment of a call with any interest on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice in writing on him requiring payment of so much of the call or instalment as is unpaid, together with any interest accrued and expenses incurred by the reason of such non-payment.
- 12.2 The notice shall name a further day (not earlier than the expiration of 14 days from the date of the service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.
- 12.3 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a resolution of the Directors to that effect and such forfeiture shall extend to all dividends declared in respect of the share so forfeited but not actually paid before such forfeiture.
- 12.4 A forfeited share may be sold, cancelled or otherwise disposed of on such terms and in such manner as the Directors in their absolute discretion think fit, and at any time before a sale, cancellation or disposition the forfeiture may be cancelled on such terms as the Directors in their absolute discretion think fit.



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- 12.5 A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company receives payment in full of the fully paid up amount of the shares.
- 12.6 A statutory declaration in writing that the declarant is a Director of the Company, and that a share in the Company has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
- 12.7 When any shares have been forfeited, an entry shall be made in the Register of Members recording the forfeiture and the date thereof, and so soon as the shares so forfeited have been sold or otherwise disposed of, an entry shall be made of the manner and date of the sale or disposal thereof.
- 12.8 The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum, which by the terms of issue of a share, becomes due and payable at any time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
- 13. Alteration of Share Capital**
- 13.1 The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe.
- 13.2 The Company may by Ordinary Resolution:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) subdivide its existing shares, or any of them, into shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived;
  - (c) cancel any shares which, at the date of the passing 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; and
  - (d) convert all or any of its paid up shares into stock and reconvert that stock into paid up shares of any denomination.
- 13.3 The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner, authorised and consent required by Companies Law.



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#### **14. Closing Register of Members or Fixing Record Date**

- 14.1 For the purpose of determining those Members that are entitled to receive notice of, attend or vote at any meeting of Members or any adjournment thereof, or those Members that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Member for any other purpose, the Directors may provide that the Register of Members shall be closed for transfers for a stated period but not to exceed in any case 40 days. If the Register of Members shall be so closed for the purpose of determining those Members that are entitled to receive notice of, attend or vote at a meeting of Members such register shall be so closed for at least 10 days immediately preceding such meeting and the record date for such determination shall be the first day of the closure of the Register of Members.
- 14.2 In lieu of or apart from closing the Register of Members, the Directors may fix in advance a date as the record date for any such determination of those Members that are entitled to receive notice of, attend or vote at a meeting of the Members and for the purpose of determining those Members that are entitled to receive payment of any dividend the Directors may, at or within 90 days prior to the date of declaration of such dividend fix a subsequent date as the record date for such determination.
- 14.3 If the Register of Members is not so closed and no record date is fixed for the determination of those Members that are entitled to receive notice of, attend or vote at a meeting of Members or those Members that are entitled to receive payment of a dividend, the date on which notice of the meeting is posted or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of those Members that are entitled to receive notice of, attend or vote at a meeting of Members has been made as provided in this section, such determination shall apply to any adjournment thereof.

#### **15. General Meeting of Members**

- 15.1 The Directors, whenever they consider necessary or desirable, may convene meetings of the Members of the Company. The Directors shall convene a meeting of Members upon the written requisition of any Members or Members entitled to attend and vote at general meeting of the Company who hold not less than 10 percent of the paid up voting share capital of the Company in respect to the matter for which the meeting is requested, deposited at the registered office of the Company specifying the objects of the meeting for a date no later than 21 days from the date of deposit of the requisition signed by the requisitionists. If the Directors do not convene such meeting for a date not later than 30 days after the date of such deposit, the requisitionists themselves may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors shall be reimbursed to them by the Company.
- 15.2 If at any time there are no Directors of the Company, any two Members (or if there is only one Member then that Member) entitled to vote at general meetings of the Company may convene a general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

#### **16. Notice of General Meetings**

- 16.1 At least seven days' notice counting from the date service is deemed to take place as provided in these Articles specifying the place, the day and the hour of the meeting and, in case of special business, the general nature of that business, shall be given in manner hereinafter provided or in such other manner (if any) as may be prescribed by the Company by Ordinary Resolution to such persons as are, under these Articles, entitled to receive such notices from the Company.





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- 16.2 Notwithstanding the aforesaid Article, a meeting of Members is held in contravention of the requirement to give notice shall be deemed to have been validly held if the consent of all Members entitled to receive notice of some particular meeting and attend and vote thereat, that meeting may be convened by such shorter notice or without notice and in such manner as those Members may think fit.
- 16.3 The accidental omission to give notice of a meeting to, or the non-receipt of a notice of a meeting by any Member shall not invalidate the proceedings at any meeting.
- 17. Proceedings at General Meetings**
- 17.1 No business 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, a quorum shall consist of one or more Members present in person or by proxy holding at least a majority of the paid up voting share capital of the Company. If the Company has only one Member, that only Member present in person or by proxy shall be a quorum for all purposes.
- 17.2 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may decide, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Member or Members present and entitled to vote shall be a quorum.
- 17.3 At every meeting the Members present shall choose someone of their number to be the chairman (the "Chairman"). If the Members are unable to choose a Chairman for any reason, then the person representing the greatest number of voting shares present at the meeting shall preside as Chairman, failing which the oldest individual Member present at the meeting or failing any Member personally attending the meeting, the proxy present at the meeting representing the oldest Member of the Company, shall take the chair.
- 17.4 The Chairman may, with the consent of any meeting, at which a quorum is present (and shall if so directed by the meeting) adjourn any meeting from time to time and from place to place, 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 meeting is adjourned for 10 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 17.5 All business carried out at a general meeting shall be deemed special with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and reports of the Directors and the Company's auditors, the appointment and removal of Directors, and the appointment and the fixing of the remuneration of the Company's auditors. No special business shall be transacted at any general meeting without the consent of all Members entitled to receive notice of that meeting unless notice of such special business has been given in the notice convening that meeting.
- 17.6 Any one or more Members may participate in a general meeting by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participating by such means shall constitute presence in person at a meeting. A resolution in writing signed by all the Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations 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.



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## **18. Votes of Members**

- 18.1 Subject to any rights and restrictions for the time being attached to any class or classes of shares, on a show of hands every Member present in person and every person representing a Member by proxy shall at a general meeting of the Company have one vote and on a poll every Member and every person representing a Member by proxy shall have one vote for each share of which he or the person represented by proxy is the holder.
- 18.2 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands by a simple majority, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman; or one or more Members present in person or by proxy entitled to vote and who together hold not less than 10 percent of the paid up voting share capital of the Company. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 18.3 If a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.
- 18.4 In the case of an equality of votes, whether on a show of hands, or on a poll, the Chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.
- 18.5 A poll demanded on the election of a Chairman of a meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.
- 18.6 In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.
- 18.7 A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, or other person in the nature of a committee appointed by that court, and any such committee or other person, may on a poll, vote by proxy.
- 18.8 No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company held by him and carrying the right to vote have been paid.

## **19. Members' Proxies**

- 19.1 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Member of the Company. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.





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- 19.2 On a poll votes may be given either personally or by proxy. The instrument appointing a proxy shall be deposited at the Registered Office or at such other place appointed for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote.

## **20. Corporations Acting by Representatives at Meetings**

Any corporation or other form of corporate legal entity which is a Member or a Director of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Members or any class of Members of the Company or of the Board of Directors or of a Committee of Directors, and the person so authorised shall be entitled to exercise the same powers on behalf of such corporation which he represents as that corporation could exercise if it were an individual Member or Director of the Company.

## **21. Directors**

- 21.1 The name of the first Director(s) shall either be determined in writing by a majority (or in the case of a sole subscriber that subscriber) of, or elected at a meeting of, the subscribers of the Memorandum of Association. The Company may by Ordinary Resolution appoint any person to be a Director.
- 21.2 Subject to the provisions of these Articles, a Director shall hold office until such time as he is removed from office by the Company by Ordinary Resolution.
- 21.3 Unless and until otherwise determined by an Ordinary Resolution of the Company, the Directors shall not be less than one in number, and there shall be no maximum number of Directors.
- 21.4 The remuneration of the Directors shall from time to time be determined by the Company by Ordinary Resolution.
- 21.5 The shareholding qualification for Directors may be fixed by the Company by Ordinary Resolution and unless and until so fixed no share qualification shall be required.
- 21.6 The Directors shall have power at any time and from time to time to appoint any other person as a Director, either to fill a casual vacancy or as an additional Director, subject to the maximum number (if any) imposed by the Company by Ordinary Resolution.

## **22. Alternate Director**

- 22.1 Any Director may in writing appoint another Director or another person to be his alternate to act in his place at any meeting of the Directors at which he is unable to be present and may at any time in writing to revoke the appointment of an alternate appointed by him. Every such alternate shall be entitled to be given notice of meetings of the Directors and to attend and vote thereat as a Director at any such meeting at which the person appointing him is not personally present and generally at such meeting to have and exercise all the powers, right, duties and authorises of the Director appointing him.
- 22.2 An alternate shall not be an officer of the Company and shall be deemed to be the agent of the Director appointing him. A Director may at any time in writing revoke the appointment of an alternate appointed by him. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them. If a Director shall die or cease to hold the office of Director, the appointment of his alternate shall thereupon cease and terminate.



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- 22.3 Any Director may appoint any person, whether or not a Director, to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director, or in the absence of such instructions at the discretion of the proxy, at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

### **23. Officers**

- 23.1 The Directors of the Company may, by resolution of Directors, appoint officers of the Company at such times as shall be considered necessary or expedient, and such officers may consist of a president, one or more vice presidents, a secretary, and a treasurer and/or such other officers as may from time to time be deemed desirable. The officers shall perform such duties as shall be prescribed by the Directors thereafter, but in the absence of any specific allocation of duties it shall be the responsibility of the president to manage the day to day affairs of the Company, the vice presidents to act in order of seniority in the absence of the president, but otherwise to perform such duties as may be delegated to them by the president, the secretary to maintain the registers, minute books and records (other than financial records) of the Company and to ensure compliance with all procedural requirements imposed on the Company by applicable law, and the treasurer to be responsible for the financial affairs of the Company.
- 23.2 Any person may hold more than one office and no officer need be a Director or Member of the Company. The officers shall remain in relevant office until removed from the said office by the Directors, whether or not a successor is appointed.

- 23.3 Any officer who is a body corporate may appoint any person its duly authorised representative for the purpose of representing it and of transacting any of the business of the officers.

### **24. Powers and Duties of Directors**

- 24.1 The business of the Company shall be managed by the Directors who may pay all expenses incurred preliminary to and in connection with the setup and registration of the Company, and may exercise all such powers of the Company necessary for managing and for directing and supervising, the business affairs of the Company as are not required by the Companies Law or by these Articles required to be exercised by the Members subject to any delegation of such powers as may be authorised by these Articles and permitted by the Companies Law and to such requirements as may be prescribed by resolution of the Members, but no requirement made by resolution of the Members shall prevail if it was inconsistent with these Articles nor shall such resolution invalidate any prior act of the Directors which would have been valid if such resolution had not been made.
- 24.2 The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.



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- 24.3 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital or any part thereof, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

## **25. Committees of Directors**

- 25.1 The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.
- 25.2 The Directors may establish any committees, local boards or agencies for managing any of the businesses and affairs of the Company, and may appoint any persons to be members of such committees, local boards, managers or agents for the Company and may fix their remuneration and may delegate to any committees, local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with the power to sub-delegate, and may authorise the members of any committees, local boards or agencies, or any of them, to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment and delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

## **26. Disqualification of Directors**

The office of Director shall be automatically vacated, if the Director:

- (a) becomes bankrupt or makes any arrangement or composition with his creditors;
- (b) is found to be or becomes of unsound mind;
- (c) resigns his office by notice in writing to the Company;
- (d) is removed from office by Ordinary Resolution;
- (e) is convicted of an arrestable offence; or
- (f) dies.

## **27. Proceedings of Directors**

- 27.1 The meetings of the Board of Directors and any committee thereof shall be held at such place or places as the Directors shall decide.
- 27.2 The Directors may elect a chairman of their meetings and determine the period for which he is to hold office. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman for the meeting. If the Directors are unable to choose a chairman, for any reason, then the seniority Director present at the meeting shall preside as the chairman of the meeting.
- 27.3 The Directors may meet together (either within or without the Cayman Islands) for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality in votes the chairman shall have a second or casting vote. A Director may at any time summon a meeting of the Directors. If the Company shall have only one Director, the provisions hereinafter contained for meetings of the Directors shall not apply but such sole Director shall have full power to represent and act for the Company in all matters and in lieu of minutes of a meeting shall record written resolutions and sign as a resolution of the Directors. Such note or memorandum shall constitute sufficient evidence of such resolution for all purposes.



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A handwritten signature in dark ink, appearing to read "A. J. ...", is written over the title "Assistant Registrar".

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- 27.4 Any one or more members of the Board of Directors or any committee thereof may participate in a meeting of such Board of Directors or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participating by such means shall constitute presence in person at a meeting.
- 27.5 The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed, if there be more than two Directors shall be two, and if there be two or less Directors shall be one. A Director represented by proxy or by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.
- 27.6 A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors. A general notice given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made. A Director may vote in respect of any contract or proposed contract or arrangement notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration.
- 27.7 A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors 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 or as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, 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. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement.
- 27.8 The Directors shall cause to be entered and kept in books or files provided for the purpose minutes or memoranda of the following (where applicable): -
- (a) all appointments of officers made by the Directors;
  - (b) the names of the Directors, and any alternate Director who is not also a Director, present at each meeting of the Directors and of any committee of the Directors; and
  - (c) all resolutions and proceedings of all meetings of the Members, all meetings of the Directors and all meetings of committees and, where the Company has only one Member and/or one Director, all written resolutions of the decisions of the sole Member and/or the sole Director;
- and any such minutes or memoranda of any meeting or decisions of the Directors, or any committee, or of the Company, if purporting to be signed by the chairman of such meeting, or by the chairman of the next succeeding meeting, shall be receivable as prima facie evidence of the matters stated therein.



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- 27.9 When the Chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.
- 27.10 A resolution in writing signed by a majority of the Directors for the time being shall be as valid and effectual for all purposes as a resolution of the Directors passed at a meeting of the Directors duly called and constituted. Such resolution in writing may consist of several documents each signed by one or more of the Directors.
- 27.11 The continuing Directors may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the number fixed by or pursuant to the Articles of the Company as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number, or of summoning a general meeting of the Company, but for no other purpose.
- 27.12 A committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within 15 minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of their meetings.
- 27.13 A committee appointed by the Directors may meet and adjourn as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes of the committee members present and in case of an equality of votes the chairman shall have a second or casting vote.
- 27.14 All acts done bona fide by any meeting of the Directors or of a committee of Directors, or by any person acting as a Director, shall notwithstanding that it was afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.
- 28. Dividends**
- 28.1 Subject to any rights and restrictions for the time being attached to any class or classes of shares, the Directors may from time to time declare dividends (including interim dividends) and other distributions on shares of the Company in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.
- 28.2 Subject to any rights and restrictions for the time being attached to any class or classes of shares, the Company may by Ordinary Resolution declare final dividends, but no dividend shall exceed the amount recommended by the Directors.
- 28.3 The Directors may, before recommending or declaring any dividend, set aside out of the funds legally available for distribution of the Company such sums as they think proper as a reserve or reserves which shall, at the absolute discretion of the Directors be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and may pending such application, in the Directors' absolute discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors may from time to time think fit.
- 28.4 No dividend shall be paid otherwise than out of profits or, subject to the restrictions of the Companies Law, the share premium account.



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28.5 Any dividend may be paid by cheque or warrant sent through the post directed to the registered address of the Member or person entitled thereto (or in case of joint holders, to the registered address of any one of such joint holders whose name stands first on the Register of Members of the Company in respect of the joint holding) or addressed to such person at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent, but in any event the Company shall not be liable or responsible for any cheque or warrant lost in transmission nor for any dividend, bonus, interest or other monies lost to the Member or person entitled thereto by the forged endorsement of any cheque or warrant. Any payment of the cheque or warrant by the Company's banker on whom it is drawn shall be a good discharge to the Company.

28.6 The Directors when paying dividends to the Members in accordance with the foregoing provisions may make such payment either in cash or in specie.

28.7 Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date that share shall rank for dividend accordingly.

28.8 If several persons are registered as joint holders of any share, any of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.

28.9 No dividend shall bear interest against the Company.

## **29. Accounts and Audit**

29.1 The Directors shall cause books of account relating to the Company's affairs to be kept in such manner as may be determined from time to time by the Directors.

29.2 The books of account shall be kept at the registered office of the Company, or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.

29.3 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Companies Law or authorised by the Directors or by the Company by ordinary resolution.

29.4 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions the records, documents and registers of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any records, documents or registers of the Company except as conferred by the Companies Law or authorised by resolution of the Directors.





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### **30. Capitalisation of Profits**

- 30.1 Subject to the Companies Law, the Directors may, with the authority of an Ordinary Resolution, resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts (including a share premium account and capital redemption reserve), or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution, amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportion, on condition that the same be not paid in cash but be applied either in or towards paying up any amounts (if any) for the time being unpaid on any shares held by such Members respectively, or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such Members in the proportion aforesaid or partly in the one way and partly in the other. Provided that a share premium account and a capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be allotted to Members of the Company as fully paid bonus shares.
- 30.2 Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional certificates by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or as the case may require, for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members.

### **31. Share Premium Account**

- 31.1 The Board of Directors shall in accordance with the Companies Law establish a share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share.
- 31.2 There shall be debited to any share premium account on the redemption or purchase of a share the difference between the nominal value of such share and the redemption or purchase price provided always that at the discretion of the Board of Directors such sum may be paid out of the profits of the Company or, if permitted by the Companies Law, out of capital.

### **32. Indemnity**

Subject to the provisions of the Companies Law and in the absence of fraud or wilful default, the Company may indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who:

- (a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a Director, managing director, agent, auditor, secretary and other officer for the time being of the Company; or



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(b) is or was, at the request of the Company, serving as a Director, managing director, agent, auditor, secretary and other officer for the time being of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise.

### **33. Notices**

33.1 Notice shall be in writing and may be given by the Company or by the person entitled to give notice to any Member either personally by electronic mail, by facsimile or by sending it through the post in a prepaid letter or via a recognised courier service, fees prepaid, addressed to the Member at his address as appearing in the Register of Members. Notices posted to addresses outside the Cayman Islands shall be forwarded by prepaid airmail. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the Register of Members in respect of the share.

33.2 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 and, where requisite, of the purposes for which such meeting was convened.

33.3 Any notice, if served by (a) post, shall be deemed to have been served 5 days after the time when the letter containing the same is posted and if served by courier, shall be deemed to have been served 5 days after the time when the letter containing the same is delivered to the courier or, (b) facsimile, shall be deemed to have been served upon confirmation of receipt or (c) electronic mail, shall be deemed to have been served upon confirmation of receipt, or (d) recognised delivery service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service provider.

33.4 A notice may be given by the Company to the persons entitled to a share in consequence of the death, bankruptcy or insolvency of a Member by sending it through the post in a prepaid letter, by airmail if appropriate addressed to them by name or by the title of representatives of the deceased or assignee or trustee of the bankrupt or insolvent or by a like description at the address, if any, supplied for the purpose by the persons claiming to be so entitled, or, until such an address has been so supplied, by giving the notice in any manner in which the same might have been given if the death, bankruptcy or insolvency had not occurred.

33.5 Notice of every general meeting shall be given in the manner hereinbefore authorised to:

(a) all Members who have a right to receive notice and who have supplied the Company with an address for the giving of notices to them and in case of joint holder, the notice shall be sufficient if given to the first named joint holder in the Register of Members; and

(b) every person entitled to a share in consequence of the death or bankruptcy of a Member, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other person shall be entitled to receive notice of general meetings.

### **34. Seal**

34.1 The Directors shall provide for the safe custody of the Seal of the Company. The Seal when affixed to any instrument shall be witnessed by a Director or the secretary or officer of the Company or any other person so authorised from time to time by the Directors or of a committee of the Directors authorised by the Directors on that behalf. The Directors may provide for a facsimile of the Seal and approve the signature of any Director or authorised person which may be reproduced by printing or other means on any instrument and it shall have the same force and validity as if the Seal has been affixed to such instrument and the same had been signed as hereinbefore described.





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- 34.2 Notwithstanding the foregoing, a director or officer, representative or attorney of the Company shall have the authority to affix the Seal, or a duplicate of the Seal, over his signature alone on any instrument or document required to be authenticated by him under Seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.

### **35. Winding Up**

- 35.1 If the Company shall be wound up the liquidator may, with the sanction of an Ordinary Resolution of the Company and any other sanction required by the Companies Law, divide amongst the Members in specie or cash the whole or any part of the assets of the Company whether they shall consist of property of the same kind or not 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 of Members. 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 contributors as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

- 35.2 Without prejudice to the rights of holders of shares issued upon special terms and conditions, if the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid-up 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 capital paid-up, or which ought to have been paid-up, at the commencement of the winding up on the shares held by them respectively. If on a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed among the Members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively.

### **36. Amendment of Memorandum and Articles of Association**

The Company may alter or modify the provisions contained in these Memorandum and Articles of Association as originally drafted or as amended from time to time by a Special Resolution and subject to the Companies Law and the rights attaching to the various classes of shares.

### **37. Registration By Way of Continuation**

The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article. The Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken in accordance to the Companies Law to effect the transfer by way of continuation of the Company.

## **Rules of Procedures Governing Shareholders' Meeting**

### **Article I Objectives:**

These Rules of Procedures Governing Shareholders' Meeting are duly enacted in accordance with Article 5 of the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies to assure a sound Shareholders' Meeting governance system.

### **Article II Scope of Application**

These Rules of Procedures Governing Shareholders' Meeting shall govern all key issues of the Company's Shareholders' Meeting unless otherwise specified in laws and the Articles of Incorporation.

### **Article III Notice(s) to Convene a Shareholders' Meeting or for a Shareholders' Meeting**

The Company's Shareholders' Meeting shall be duly convened by the Board of Directors unless otherwise specified in laws and ordinances concerned.

During the listing period, the Company shall, thirty (30) days before the Company convenes a Regular Shareholders' Meeting or fifteen (15) days before a Special Shareholders' Meeting, prepare electronic files of the meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors or supervisors, and other matters on the shareholders' meeting agenda, and upload them to the Market Observation Post System. Twenty-one days before the Company is to convene an Ordinary Shareholders' Meeting, or 15 days before it convenes an Extraordinary Shareholders' Meeting, the Company shall prepare an electronic file of the Shareholders' Meeting Agenda Handbook and the supplemental materials referred to in the preceding paragraph, and upload it to the Market Observation Post System. Fifteen days before the Company is to convene a Shareholders' Meeting, the Company shall prepare the Shareholders' Meeting Agenda Handbook and supplemental materials and make them available for the shareholders to obtain and review at any time. In addition, the Handbook shall be displayed at the Company and its stock registrar and transfer agent, and distributed on-site at the meeting.

The cause(s) or subject(s) of a Meeting of Shareholders to be convened shall be

indicated in the individual notice to be given to shareholders; and the notice may, as an alternative, be given by means of electronic transmission, after obtaining prior consent from the recipient(s) thereof.

During the period other than listing, the notices of a Shareholders' Meeting shall be served to all shareholders five (5) days prior to the date scheduled for that meeting. The service of such a notice may be, nevertheless, exempted if consented to by shareholders in full prior to or during a meeting. Additionally, such a notice may be served by means of e-mail, cable, or fax. During a period other than listing, a notice for a Special Shareholders Meeting may be served to all shareholders in a shorter period of time if voted on with consent by shareholders representing 95% of the total outstanding shares in the meeting which is attended by shareholders representing a one half majority of the voting powers.

An issue to elect or discharge a director, change the Articles of Incorporation, dissolve the Company, launch a merger, demerger, or matters set forth under Paragraph 1, Article 185 of the Company Act; Article 26~1, Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be expressly enumerated in the agenda of a Board of Directors Meeting and shall not be posed by means of an extraordinary (unscheduled) motion.

During the listing period, a shareholder(s) holding over 1% of the of the Company's total outstanding shares may pose a proposal to the Company in writing but not beyond one issue. A proposal beyond one issue shall not be counted in the agenda. Where a shareholder poses an issue falling any one among those circumstances enumerated under Paragraph 4, Article 172-1 of the Company Act, the Board of Directors shall not enter it into the agenda.

During the listing period, the Company shall promulgate and accept proposals from shareholders, the venue, and period for acceptance, before the book closure period prior to convening of a Shareholders' Regular Meeting. The period to accept proposals shall not be shorter than ten days minimum.

A proposal posed by a shareholder shall not exceed the maximum of three hundred characters and a proposal in excess of three hundred characters in Chinese shall not be entered into the agenda. A shareholder who poses a proposal shall participate in the Shareholders' Regular Meeting either in person or through a proxy and shall participate in the discussion process.

The Company shall keep a proposing shareholder informed of the outcome of handling before the date on which the Shareholders' Meeting is convened and shall further enumerate a proposal(s) satisfactory requirements set forth under this Article in the notices of the meeting. For a proposal that is not enumerated in the agenda, the Board of Directors shall clarify the reason why it is not enumerated during the Shareholders' Meeting.

#### Article IV Power of Attorney (Proxy) for a Shareholder

For each Shareholders' Meeting, a shareholder may issue power of attorney (proxy) in the format printed by the Company to expressly bear the scope of authorized powers to authorize a proxy to attend a Shareholders' Meeting on their behalf.

A shareholder is confined to issue only one power of attorney (proxy) to authorize only one proxy. The power of attorney (proxy) shall be submitted to the Company five (5) days prior to the date scheduled to convene the Shareholders' Meeting. In the case two or more written proxies are received from one shareholder, the first one received by the Company shall prevail; unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

After the service of the power of power of attorney (proxy) to the Company, in the case the shareholder issuing said proxy intends to attend the Shareholders' Meeting in person or to exercise his/her/its voting power in writing or through electronic means, a proxy rescission notice shall be filed with the Company two days prior to the date of the Shareholders' Meeting as scheduled in the Shareholders' Meeting Notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

#### Article V Principles Governing the Venue and Time to Convene a Shareholders' Meeting

During the listing period, all Shareholders' Meetings of the Company shall be convened within the territories of the Republic of China. During a time beyond the listing period, the Board of Directors may convene a Shareholders' Meeting at any venue considered appropriate.

#### Article VI Preparation of the Sign-in Book and Such Documents

The Company shall expressly remark on the notice for a meeting the timeframe, venue for shareholders to enroll for participation, and other key points for attention.

The enrollment by shareholders to participate in a Shareholders' Meeting shall be completed within thirty (30) minutes prior to commencement of the meeting. The venue for shareholders to check in for the meeting shall be expressly remarked where the Company shall assign adequate and competent personnel to take charge of the key issues.

A shareholder himself or herself or a proxy authorized by a shareholder (hereinafter collectively referred to as the shareholder) shall participate in a Shareholders' Meeting with his or her participation certificate, participation sign-in card, or other participating paper. For the supporting certificate(s) as the grounds to participate in a Special Shareholders Meeting, the Company shall not arbitrarily request provision of any additional paper(s). A solicitor of power of attorney (proxy) shall prepare identity certificate papers for checking and verification.

The Company shall prepare a sign-in book ready to be signed by participating shareholders or a participating shareholder may present a sign-in card instead of signing in.

The Company shall hand over to all participating shareholders the Meeting Agenda Handbook, Annual Report, participating certificates, speech notes, voting ballots, along with the election ballots in the case of election of directors. Where a shareholder is the government or a juristic person, the number of representatives participating in the meeting is not confined to one person. Where a juristic person is authorized to participate in a Shareholders' Meeting, only one person may be appointed as the representative to participate in the meeting.

#### Article VII Chairperson and Non-voting (Guest) Participants for a Shareholders' Meeting

A Shareholders' Meeting shall be chaired by the Chairperson if convened by the Board of Directors, or by the Vice Chairperson when the Chairperson is on leave or unavailable to exercise responsibilities and powers. Where there is not a Vice Chairperson or the Vice Chairperson is on leave or unavailable to exercise responsibilities and powers as well, the Chairperson shall appoint one managing director to act as the substitute, or shall appoint one director to act as the substitute if there is not a managing director. Where the Chairperson does not appoint a substitute, one shall be elected from among the managing directors or the directors to act as the substitute.

Where the Chairperson mentioned in the preceding Paragraph is acted by a managing director or director, such managing director or director shall be the one

managing director or director having served the post for more than six months and having been well aware of the Company's financial conditions. This same provision is applicable *mutatis mutandis* to an event where the meeting is chaired by the representative of a juristic person director.

A Shareholders' Meeting convened by the Board of Directors shall be chaired by the Chairperson in person and shall be attended by directors who make a one half majority of the total director seats. Each functional committee shall have a minimum of one representative to participate in the meeting, and all such facts of participation shall be expressly entered into the minutes of the Shareholders' Meeting.

Where a Shareholders' Meeting is convened by a convener outside the Board of Directors, that meeting shall be chaired by that convener. In the case of two or more conveners, one shall be elected from among themselves to chair the meeting.

The Company may appoint the retained Attorney(s)-at-Law, Certified Public Accountant(s), or the relevant personnel to participate in a Shareholders' Meeting.

#### Article VIII Audio or Video Proofs for Process of a Shareholders' Meeting

During the listing period of the Company subject to the moment when shareholders enroll for the meeting, progress of the meeting and the balloting process shall be recorded by both audio and visual facilities in a continued and uninterrupted process.

The audio and visual recordings mentioned in the preceding Paragraph shall be archived for one year minimum and, nevertheless, continually until the litigious process is concluded in the event that a shareholder duly lodges litigation in accordance with Article 189 of the Company Act.

#### Article IX Number of Participants and Tentative Resolution in a Shareholders' Meeting

Participation in a Shareholders' Meeting shall be counted based on the number of represented shares. The number of shares represented by the participating shareholders shall be counted based on the sign-in cards plus the number of shares represented by the voting powers exercised in writing or by electronic means.

The Chairperson may announce the start of the meeting when the specified time is arrived at. Where the meeting is attended by shareholders who represent not

up to a one half majority of the total outstanding shares, nevertheless, the Chairperson may announce deferment of the meeting and the deferments shall not exceed the maximum of twice and the total duration of deferment(s) shall not exceed an hour. In the event that the Shareholders' Meeting is still attended by shareholders who represent less than one-third of the total outstanding shares, the Chairperson may promulgate that the meeting be aborted.

In an event as mentioned in the preceding Paragraph where the meeting is attended by not up to the specified quorum but attended by shareholders representing one-third of the aggregate total of outstanding shares, a tentative resolution may be adopted in accordance with Paragraph 1, Article 175 of the Company Act. Such tentative resolution shall be served to all shareholders and another Shareholders' Meeting shall be convened within one month.

In the event that the total number of participating shareholders is up to a one half majority of the aggregate total of outstanding shares before that meeting is adjourned, the Chairperson may present the tentative resolution so resolved to the Shareholders' Meeting for voting process anew in accordance with Article 174.

#### Article X Proposals for Discussion

Where a Shareholders' Meeting is convened by the Board of Directors, the agenda shall be stipulated by the Board of Directors. The meeting shall be handled exactly in accordance with the scheduled agenda which shall not be changed unless resolved in the Shareholders' Meeting.

The provisions set forth under the preceding are applicable *mutatis mutandis* to an event where the Special Shareholders Meeting is convened by another person outside the Board of Directors.

Until the agenda scheduled under the two preceding Paragraphs (including extraordinary (unscheduled) motions) is concluded, the Chairperson shall not announce adjournment of the meeting unless duly resolved. In the event that the Chairperson violates the Rules of Procedures Governing Shareholders' Meetings and announces adjournment of the meeting, other members in the Board of Directors shall promptly help the participating shareholders elect one person to chair the meeting and continue the meeting through the statutory procedures, with resolution through a one half majority vote.

For a motion or an amendment posed by a shareholder and an extraordinary (unscheduled) motion, the Chairperson shall grant opportunities for adequate

explanation and shall announce discontinuation of the discussion process and to begin the voting process when a motion is up to the extent for resolution.

#### Article XI Speeches by Shareholders

Before a participating shareholder speaks up, he or she shall fill in the speech note expressly remarking the connotation of the speech, shareholder account number (or code of the participation certificate), and name of the shareholder so that the Chairperson may rule on the priority order to speak up.

A participating shareholder who only presents his or her speech note but does not actually speak up is deemed to have not spoken up. Where the contents actually spoken up are found inconsistent with the entry on the speech note, the contents actually spoken shall prevail.

For the same motion, each and every shareholder shall not speak more than twice unless approved by the Chairperson. Each speech shall not exceed five minutes. Where the speech by a shareholder proves in contravention of requirements or beyond the scope of the motion, the Chairperson may stop his or her speech.

Where a participating shareholder speaks, other shareholders shall not speak to interfere with unless consented to by the Chairperson and the speaking shareholder. The Chairperson shall stop the speech in the case of a violation.

Where a juristic person shareholder appoints two or more representatives to participate in a Shareholders' Meeting on their behalf, only one shall be elected to deliver speech for the same motion.

After a participating shareholder speaks, the Chairperson may reply either him/herself or through a relevant person so designated.

#### Article XII Calculation of the Voting Powers, Withdrawal From Conflict Involvement (Recusal) System

A decision to be resolved in the Shareholders' Meeting shall be counted based on the number of shares.

Upon resolution of a decision in a Shareholders' Meeting, the number of shares represented by a shareholder not entitled to voting power shall not be counted into the aggregate total of the issued and outstanding shares.

For an issue in a shareholders' meeting in conflict with a shareholders' interests, that shareholder shall not participate in the voting process nor shall



he or she act as a proxy to exercise voting power on behalf of another shareholder.

The number of shares not entitled to voting power as mentioned in the preceding Paragraph shall not be counted into the voting rights cast by participating shareholders.

Except a trust enterprise or the shareholder services agent approved by the competent authority in charge of securities affairs, where a proxy is simultaneously appointed by two or more shareholders, the total voting power cast by that proxy shall not exceed 3% of the voting powers of the aggregate total of outstanding shares. The voting power cast with the excess shall be discarded.

#### Article XIII Voting for a Resolution

Each share held by a shareholder hereof is entitled to one voting power, except for an event subject to restriction or an event without voting power under Paragraph 2, Article 179 of the Company Act.

Where the Company convenes a Shareholders' Meeting, the Company may exercise voting power in writing or by electronic means (as expressly provided for in Proviso, Paragraph 1, Article 177-1 of the Company Act, where a company adopts electronic means to exercise the voting power and where that company convenes a Shareholders' Meeting, it may adopt electronic means and exercise voting power in writing); where the voting power is exercised in writing or by electronic means, the method(s) of such exercise shall be expressly remarked in the notices for the Shareholders' Meeting. A shareholder who exercises voting power in writing or by electronic means shall be deemed to have participated in the Shareholders' Meeting in person, but shall be deemed as in abstention for an extraordinary (unscheduled) motion or an amendment to the original proposal. The Company shall, therefore, refrain from posing an extraordinary (unscheduled) motion or an amendment to the original proposal as far as possible.

Where a shareholder elects to exercise his/her/its voting power in writing or by means of electronic transmission, his/her/its declaration of intention shall be served to the Company two (2) days prior to the scheduled meeting date of the Shareholders' Meeting, whereas if two or more declarations of the same intention are served to the Company, the first declaration of such intention received shall prevail; unless an explicit statement to revoke the previous

declaration is made in the declaration which comes later.

Where a shareholder who has exercised his/her/its voting power in writing or by means of electronic transmission intends to attend the Shareholders' Meeting in person, he/she/it shall, two days prior to the meeting date of the scheduled Shareholders' Meeting, and in the same manner previously used in exercising his/her/its voting power, serve a separate declaration of intention to rescind his/her/its previous declaration of intention made in exercising the voting power under the preceding Paragraph Two. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by means of electronic transmission shall prevail. Where a shareholder has exercised his/her/its voting power in writing or by means of electronic transmission, and has also authorized a proxy to attend the Shareholders' Meeting on his/her/its behalf, then the voting power exercised by the authorized proxy for said shareholder shall prevail.

Unless otherwise provided for in the Company Act and the Company's Articles of Incorporation, a decision in a Shareholders' Meeting shall be resolved by over a one half majority vote in the meeting which is attended by shareholders who represent over a one half majority of the total issued shares. During the voting process, the Chairperson or a person appointed thereby shall, on a case-by-case basis, announce the aggregate total number of the voting power represented by participating shareholders before the shareholders vote for decisions on a case-by-case basis. The outcome of consents, objections, and abstentions by shareholders shall be input into the Market Observation Post System (MOPS) on the very day on which the Shareholders' Meeting is convened.

Where the same motion is accompanied with an amendment or a substitution, the Chairperson shall combine it with the principal motion to fix the priority order of voting. Where one of the motions is resolved, other motions shall be deemed to have been vetoed and will no longer be voted on.

During the voting process, the ballot scrutinizers and ballot counters shall be designated by the Chairperson. A ballot scrutinizer shall, nevertheless, be appointed from among shareholders.

During the voting or election process in a Shareholders' Meeting, the ballot counting shall be conducted in an open place inside the venue for the Shareholders' Meeting. Upon completion of the counting process, the outcome shall be announced on-the-spot, including the number in statistical weights for

which the record should be duly conducted.

#### Article XIV Issues of Election

Where directors are elected in a Shareholders' Meeting, the election shall be duly conducted in accordance with the Company's regulations governing elections. The outcome of the election, including the list of the successfully elected directors and the election ballot weights so won by them shall be promulgated on-the-spot.

The election ballots for election conducted in the preceding Paragraph shall be signed and tightly sealed by ballot scrutinizer(s), and put into prudential custody for a minimum of one year and, nevertheless, be archived until the litigation is concluded in accordance with when a shareholder lodges litigation in accordance with Article 189 of the Company Act.

#### Article XV Minutes

Minutes shall be duly worked out for decisions resolved in a Shareholders' Meeting, duly signed or affixed with seals by the Chairperson, and shall be served to all shareholders within twenty days after the meeting. The minutes may be duly worked out by electronic means as well.

The minutes mentioned in the preceding Paragraph may be input into the Market Observation Post System (MOPS) instead of distribution in accordance with the preceding Paragraph.

The minutes shall be faithfully worked out exactly based on the month/day/year, venue, name of the Chairperson, method of resolution, key points of the progress, and the outcome thereof, and shall be archived permanently during the entire period while the Company exists.

#### Article XVI External Promulgation

For the number of shares solicited by solicitors and number of shares represented by proxies, the Company shall work out statistics in the specified formula and shall expressly display them within the venue of the Shareholders' Meeting.

During the listing period, where the issues resolved in a Shareholders' Meeting are attributed as significant issues in accordance with the laws and ordinances concerned, Taiwan Stock Exchange Corporation (TWSC), GreTai

Securities Market ("GTSM") (Over-The-Counter) of the Republic of China, the Company shall transmit such issues to the Market Observation Post System (MOPS) within the specified time limit.

#### Article XVII Maintenance of Sound Order in a Meeting

The staff members serving at a Shareholders' Meeting shall duly wear identity certificates or armbands.

The Chairperson may command picketers or security guards to help maintain the order of the meeting. While serving at the meeting venues to maintain order of the meeting, the picketers or security guards shall wear the armbands or identity certificates of "pickets".

Where the meeting venue is equipped with amplification equipment and where a shareholder speaks through the Company equipped facility, the Chairperson may stop his or her speech.

Where a shareholder violates the Rules of Procedures Governing Shareholders' Meeting and defies rectification by the Chairperson, or hinders progress of the meeting and defies the order to stop, the Chairperson may command the picketers or security guards to urge him or her to quit the meeting site.

#### Article XVIII Recess, Continuity in the Meeting

During the process of the meeting, the Chairperson may fix a time as appropriate to promulgate a recess. Upon occurrence of a *force majeure*, the Chairperson may rule to temporarily suspend the meeting and promulgate the time to resume the meeting as the actual situations may justify.

Where the venue for the meeting cannot be used for continued progress of the meeting before the motions under the agenda (including extraordinary (unscheduled) motions) are concluded, a new venue may be found in response to the decision to be resolved in the Shareholders' Meeting to resume the meeting.

The Shareholders' Meeting may resolve to postpone or resume the meeting within five days in accordance with Article 182 of the Company Act.

#### Article XIX Enforcement and Amendment

These Regulations shall be put into enforcement after being resolved in the Shareholders' Meeting. This same provision is applicable *mutatis mutandis* to an event of amendment.

Appendix No. III: Shareholding Facts of All Directors
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Luo Lih-Fen Holding Co., Ltd.

Shareholding Facts of All Directors

Book Closure Date: April 20, 2019

Aggregate Total of Outstanding Shares: 43,080,000

Position Titles	Names	Number of Shares Held	Shareholding Ratios
Chairwoman	Juristic Person Director: Black Parise Internal Limited. Statutory Representative: Luo Lih-Fen (Cf. Note No. 1)	13,833,000	32.11%
Director	Juristic Person Director: Talent Reach (HK) Limited. Statutory Representative: Rao Huan-Wen (Cf. Note No. 2)	4,914,657	11.41%
Director	He Shih-Chun (Cf. Note No. 3)	116,000	0.27%
Director	Lin Li-Chen (Cf. Note No. 4)	31,320	0.07%
Independent Director	Chou Hsiao-Ling	0	0
Independent Director	Wang Yu-Che	0	0
Independent Director	Hsu Ying-Chieh	0	0

Note No. 1: Luo Lih-Fen, through Black Parise Internal Limited. holds 13.833 million shares, or 32.11% of the Company.

Note No. 2: Rao Huan-Wen, through Forward Idea Investments Limited, Talent Reach (H. K.) Limited and World Maker International Limited, holds respectively 6.96 million shares, 4.915 million shares, and 1.74 million shares, at shareholding ratios of 16.16%, 11.41%, and 4.04% respectively.

Note No. 3: He Shih-Chun, through Wisdom Investment Co., Ltd., holds 302,000 shares at a holding ratio of 0.7% of the Company.

Note No. 4: Lin Li-Chen, through LeadSun Investment & Asset Management Limited and LeadSun International Development Co., Ltd.(麗坤國際開發股份有限公司), holds 365,000 shares and 290,000 shares, at 0.85% and 0.67% holding ratios respectively. In addition, Lin Li-Chen holds LeadSun New Star Corp. in the comprehensive shareholding ratio of merely 25.83%. That is, therefore, not counted into the shares held in the name of another.

Note No. 5: The Company is not subject to applicability of Article 26 of the Securities and Exchange Act.

Note No. 6: Where the Company has set up the Audit Committee, the terms regarding shareholding by the supervisors is not applicable to the Company.