

# **Minutes of 2019 Annual General Shareholders' Meeting of Luo Lih-Fen Holding Co., Ltd.**

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.

## **Time of Shareholders' Meeting**

10:00 a.m., June 18, 2019 (Tuesday)

## **Venue of Shareholders' Meeting**

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

(The First Conference Room of Federation of Industries)

## **Number of shares represented by shareholders present**

Shares represented by the shareholders present and proxies totaled 37,429,644, accounting for 86.88% of the total shares issued by the Company, i.e. 43,080,000 shares and including the 1,655,647 shares represented by shareholders executing voting rights through e-voting.

**Chairman:** Li-Fen Luo

**Recorder:** Yi-Chun Lin

**Present Directors:**

Huan-Wen Jao, Shih-Chinn Ho, and the convener of the Audit Committee Hsiao-Ling Chou.

**Attendees:**

CPA Shih-Jung Weng of PwC Taiwan

Gary S.H. HUNG, Partner in Charge of Chien Yeh Law Offices

I. <b>Issues Posed for Reporting</b>
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**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.

### **Voting Results:**

Shares represented at the time of voting: 37,429,644.

Voting Results	Votes in favor	Votes against	Votes invalid	Votes abstained
votes	35, 425, 292	0	0	2, 004, 352
%*	94. 64%	0	0	5. 35%
including votes casted electronically	1, 187, 635	0	0	468, 012

\* % of the total represented share present

**RESOLVED, that the above proposal be and hereby was approved as proposed.**

### **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.

**Voting Results:**

Shares represented at the time of voting: 37,429,644.

Voting Results	Votes in favor	Votes against	Votes invalid	Votes abstained
votes	35, 425, 292	0	0	2, 004, 352
%*	94. 64%	0	0	5. 35%
including votes casted electronically	1, 187, 635	0	0	468, 012

\* % of the total represented share present

**RESOLVED, that the above proposal be and hereby was approved as proposed.**

### **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.

#### **Voting Results:**

Shares represented at the time of voting: 37,429,644.

Voting Results	Votes in favor	Votes against	Votes invalid	Votes abstained
votes	36, 940, 292	1, 000	0	488, 352
%*	98. 69%	0. 00%	0	1. 30%
including votes casted electronically	1, 186, 635	1, 000	0	468, 012

\* % of the total represented share present

**RESOLVED, that the above proposal be and hereby was approved as proposed.**

#### **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.

**Voting Results:**

Shares represented at the time of voting: 37,429,644.

Voting Results	Votes in favor	Votes against	Votes invalid	Votes abstained
votes	36, 940, 292	1, 000	0	488, 352
%*	98. 69%	0. 00%	0	1. 30%
including votes casted electronically	1, 186, 635	1, 000	0	468, 012

\* % of the total represented share present

**RESOLVED, that the above proposal be and hereby was approved as proposed.**

**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.

**Voting Results:**

Shares represented at the time of voting: 37,429,644.

Voting Results	Votes in favor	Votes against	Votes invalid	Votes abstained
votes	36, 940, 292	1, 000	0	488, 352
%*	98. 69%	0. 00%	0	1. 30%
including votes casted electronically	1, 186, 635	1, 000	0	468, 012

\* % of the total represented share present

**RESOLVED, that the above proposal be and hereby was approved as proposed.**



#### **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.

#### **Voting Results:**

Shares represented at the time of voting: 37,429,644.

Voting Results	Votes in favor	Votes against	Votes invalid	Votes abstained
votes	36, 940, 292	1, 000	0	488, 352
%*	98. 69%	0. 00%	0	1. 30%
including votes casted electronically	1, 186, 635	1, 000	0	468, 012

\* % of the total represented share present

**RESOLVED, that the above proposal be and hereby was approved as proposed.**

#### **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.

#### **Voting Results:**

Shares represented at the time of voting: 37,429,644.

Voting Results	Votes in favor	Votes against	Votes invalid	Votes abstained
votes	36, 940, 292	1, 000	0	488, 352
%*	98. 69%	0. 00%	0	1. 30%
including votes casted electronically	1, 186, 635	1, 000	0	468, 012

\* % of the total represented share present

**RESOLVED**, that the above proposal be and hereby was approved as proposed.

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

None.

#### **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.

## Appendix No. II

### 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 <b>Taiwan</b> 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 <b><u>otherwise specified in the Company's Articles of Incorporation.</u></b></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 act as his/her substitute. Where the Chairperson</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, <b><u>the Vice Chairperson shall act as his/her is substitute. Where there is no Vice</u></b></p>

<p>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 affiliation relationship with that director shall be deemed in an interested relationship on that issue.</u></b> When the relationship is likely to prejudice the interests</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 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</p>



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.	voting rights on that matter.
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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,

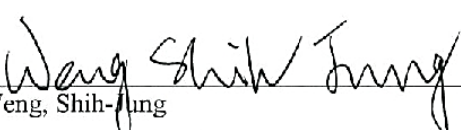


based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report 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.

  
Weng, Shih-Jung

  
Lin, Chun-Yao

For and on behalf of PricewaterhouseCoopers, Taiwan

March 15, 2019

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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)

	Items	Notes	Year ended December 31			
			2018		2017	
			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		910,524	67	524,280	60
	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		( 338,358)	( 25)	( 209,107)	( 24)
6900	Operating profit		572,166	42	315,173	36
	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		11,274	1	3,577	-
7900	Profit before income tax		583,440	43	318,750	36
7950	Income tax expense	6(18)	( 152,193)	( 11)	( 78,735)	( 9)
8200	Profit for the year		\$ 431,247	32	\$ 240,015	27
	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		\$ 429,099	32	\$ 236,832	27
	Profit attributable to					
8610	Owners of the parent		\$ 431,247	32	\$ 221,198	25
8615	Predecessor interests under common control		-	-	18,817	2
			\$ 431,247	32	\$ 240,015	27
	Comprehensive income attributable to					
8710	Owners of the parent		\$ 429,099	32	\$ 221,621	25
8715	Predecessor interests under common control		-	-	15,211	2
			\$ 429,099	32	\$ 236,832	27
	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		\$	11.09	\$	35.52
	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		\$	11.08	\$	35.52

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	Share capital - common stock	Equity attributable to owners of the parent					Equity attributable to predecessors or interests under common control	Total equity						
		Capital surplus, additional paid-in capital	Unappropriated retained earnings	Financial statements translation differences of foreign operations		Total								
For the year ended December 31, 2017														
	\$	1	\$	( \$	3,336 )	( \$	339 )	( \$	3,674 )	\$	96,816	\$	93,142	
Balance at January 1, 2017	-	-	-	221,198	-	-	221,198	18,817	240,015					
Profit for 2017														
Other comprehensive income(loss) for 2017														
Total comprehensive income	-	-	-	-	423	-	423	( 3,606 )	( 3,183 )					
Appropriation of 2016 earnings:	-	-	-	221,198	423	-	221,621	15,211	236,832					
Cash dividend	6(12)	-	-	-	-	-	-	( 53,354 )	( 53,354 )					
Issuance of common stock	6(10)	49,499	659,660	-	-	-	709,159	-	709,159					
Issuance of common stock from capital surplus	6(10)	280,500	( 280,500 )	-	-	-	-	-	-					
Organisational restructuring	6(20)	-	-	( 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														
	\$	330,000	\$	379,160	\$	205,925	\$	84	\$	915,169	\$	-	\$	915,169
Balance at January 1, 2018														
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:	6(12)	-	-	-	-	-	-	-	-					
Cash dividend		-	-	( 145,200 )	-	-	( 145,200 )	-	( 145,200 )					
Stock dividend		52,800	-	( 52,800 )	-	-	-	-	-					
Issuance of common stock	6(10)	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	<i>(nil)</i>	<u><b>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.</b></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><b>(4) The Company shall neither issue Shares without par value nor convert its Shares from Shares with par value to Shares without par value.</b></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.

No.	Current Provisions	Proposed Amendments	Explanations
Article 28	<p>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 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>(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 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>	Amendment in wording.

No.	Current Provisions	Proposed Amendments	Explanations
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 requisition notice, the proposing Member(s) may convene a general meeting.</p>	<p><b><u>(1) Any one or more Member(s) may, by depositing the requisition notice specifying the proposals to be resolved and the reasons <b>thereof</b>, request the Board to convene an extraordinary general meeting, <b>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.</b> If the 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.</u></b></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</u></b></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><u>determined based on the Register as of the first day of the Book Closure Period.</u></p> <p><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 Company may also, for the benefit of the Company, call a general meeting when it is deemed necessary.</u></p>	



No.	Current Provisions	Proposed Amendments	Explanations
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; <b><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></b></p> <p>(a) any election or removal of Director(s);</p> <p>(b) any alteration of the Memorandum and/or these Articles;</p> <p><b><u>(c) any capital reduction or compulsory purchase and</u></b></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><u>cancellation of Shares pursuant to Article 24(1);</u></p> <p><u>(d) applying for the approval of ceasing the status as a public company; ... (Omitted)</u></p>	
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</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</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><b><u>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>(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>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 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)	(1) Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution: ...	In coordination with the “Examination Table for Foreign Issuers on

No.	Current Provisions	Proposed Amendments	Explanations
		<b><u>(t) apply for the approval of ceasing the status as a public company.</u></b>	Protection Over Their Shareholders' Equity at the Venues of Registration" concerned.
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><u>In</u></b> the event any part of the Company's business is involved in any Spin-Off, Merger or Consolidation, a</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</p>	In coordination with the requirements progulated by the competent authority(ies) regarding laws and ordinances concerned.

No.	Current Provisions	Proposed Amendments	Explanations
	<p>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 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>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 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>	

No.	Current Provisions	Proposed Amendments	Explanations
第 68 條	<p>(2) Without prejudice to other provisions of these Articles, the <b>Company</b> may <b><u>by an Ordinary Resolution</u></b> put <b><u>all Directors</u></b> for re-election before the expiration of the term of office of such Directors. In <b><u>this event, if it is not specified in such resolution that the existing Directors will not retire until</u></b> the expiration <b><u>date</u></b> of <b><u>their terms</u></b> of office <b><u>or other specified date, they shall be deemed to have retired on the date</u></b> of such <b><u>resolution</u></b>, subject to the successful election of the new Directors at the same meeting</p>	<p>(2) Without prejudice to other provisions of these Articles, the <b>Directors</b> may <b><u>be put up</u></b> for re-election <b><u>at any time</u></b> before the expiration of the term of office of such Directors. In <b><u>the event where all Directors are subject for re-election at a general meeting before</u></b> the expiration of <b><u>the term</u></b> of office of such <b><u>Directors</u></b>, subject to the successful election of the new Directors at the same meeting, <b><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></b></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
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	(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	In coordination with the “Examination Table for Foreign Issuers on Protection Over Their

No.	Current Provisions	Proposed Amendments	Explanations
	<p>removed from the position of Director automatically:</p> <p>(a) commits a felony (including but not limiting to an offence under Statute for Prevention of Organizational Crimes of the R.O.C.) and has been convicted thereof, and <b><u>the time elapsed after he has served the full term of the sentence</u></b> is less than five (5) years;</p> <p>(b) has been <b><u>sentenced to</u></b> imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and the time elapsed after <b><u>he has served the full term</u></b> of <b><u>such</u></b> sentence is less than two (2) years;</p> <p>(c) has been <b><u>convicted</u></b> of <b><u>misappropriating public funds</u></b> <b><u>during</u></b> the <b><u>time of his public service</u></b>, and the time elapsed after <b><u>he has served the full term</u></b> of <b><u>such sentence</u></b> 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</p>	<p>removed from the position of Director automatically:</p> <p>(a) commits a felony (including but not limiting to an offence under Statute for Prevention of Organizational Crimes of the R.O.C.) and has been convicted thereof, and <b><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></b> is less than five (5) years;</p> <p>(b) has been <b><u>imposed a final sentence involving</u></b> imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, <b><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></b> is less than two (2) years;</p> <p>(c) has been <b><u>imposed a final sentence due to violation</u></b> of the <b><u>Anti-corruption Act</u></b>, and <b><u>has not started serving</u></b></p>	<p>Shareholders' Equity at the Venues of Registration" concerned.</p>



No.	Current Provisions	Proposed Amendments	Explanations
	<p>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>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; ... (<i>Omitted</i>)</p>	<p><u>the sentence, has not completed serving the sentence, or</u> the time elapsed after <u>completion of serving the sentence, expiration</u> of <u>the probation, or pardon</u> is less than two (2) years;</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; ... (<i>Omitted</i>)</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><u>and outstanding</u></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	<p>Subject to the Law, one or more Members holding <b>three</b> percent (<b>3</b>%) or more of the total number of the outstanding Shares continuously for a period of <b>one (1) year</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.</p>	<p>Subject to the Law, one or more Members holding <b>one</b> percent (<b>1</b>%) or more of the total number of the outstanding Shares continuously for a period of <b>six months or a longer time</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.</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
Article 91	A Director who is in any way, whether directly or indirectly, interested in a matter discussed, 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.	A Director who is in any way, whether directly or indirectly, interested in a matter discussed, 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	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
		or against such matter.	
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 <b>may</b> , 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 " <b>Special Reserve</b> ") <b>which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the</b>	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 <b><u>for any purpose to which the profits of the Company may be properly applied</u></b> , the Board <b><u>shall</u></b> , before recommending any dividend or bonuses, set aside the remaining profits of the Company <b><u>in whole or in part</u></b> for the relevant financial year as a <b><u>special</u></b> reserve or reserves <b><u>in accordance with the order</u></b>	Amendment in wording according to Taiwan regarding laws.

No.	Current Provisions	Proposed Amendments	Explanations
	<u>Company may be properly applied.</u>	<u>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, the "Special Reserve").</u>	
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	(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	Amendment in wording.

No.	Current Provisions	Proposed Amendments	Explanations
	<p>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 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.</p>	<p>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 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.</p>	
Article 107	<b>The</b> Board shall keep copies of the Memorandum, these	<b>During the Relevant Period, the</b> Board shall keep copies	In coordination with the

No.	Current Provisions	Proposed Amendments	Explanations
	<p>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.</p>	<p>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 making copies of the above documents; the Company shall make Shareholder Service Agent provide</u></b> the above documents.</p>	<p>"Examination Table for Foreign Issuers on Protection Over Their Shareholders' Equity at the Venues of Registration" concerned.</p>



No.	Current Provisions	Proposed Amendments	Explanations
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>amd</b> the names of the Directors who abstain or object to the tender offer and the reason(s) therefore; ... (<i>Omitted</i>)</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; ... (<i>Omitted</i>)</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'</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</p>

<p>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. 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 voting power.</p> <p>Issues regarding election or discharge of a director, change in the Articles of</p>	<p>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 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</p>
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<p>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 agenda of a Board of Directors meeting. <b><u>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</u></b></p>	<p>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 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>
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<p><b><u>circumstances enumerated under Paragraph 4, Article 172-1 of the Company Act.</u></b></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>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>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>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, <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</u></b></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><b><u>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 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</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</p>

<p>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>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 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></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,</u></b></p>

<p>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.</p> <p><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 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</p>	<p><b><u>Article 179 of the Company Act.</u></b></p> <p>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 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</p>
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<p>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, 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</p>	<p>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 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</p>
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<p>outcome shall be announced on-the-spot, including the number in statistical weights for which the record should be duly conducted.</p>	<p>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 scrutinizer(s) shall be appointed from among</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 respective duties. The ballot scrutinizers shall check and verify</p>

<p><b>shareholders</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>the ballot box(es) in public before the balloting process.</p>
<p>Article XI.</p> <p>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.</p> <p>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>I.</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><b><u>IX.</u></b> Other key assets concerned.</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>VIII. Other key assets concerned.</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>

<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 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</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 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:</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>
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<p>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 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,</p>	<p>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 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.</p>	
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<p>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>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 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</p>	<p>Article VI. Where the Company obtains an appraisal report or expert opinions from a Certified Public Accountant, Attorney-at-Law, or 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>I. To simplify laws and regulations, this part covers all professional appraisers, appraising officers, Certified Public Accountants, lawyers, or 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</p>



<p>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 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</p>		<p>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 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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<p>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 used is rational and accurate, and that they have complied with applicable laws and regulations.</p>		
<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</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</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</p>

<p>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 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 <u>or the right-of-use assets</u> 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</p>	<p>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 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</p>	<p>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>
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<p>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 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, except a case of transaction with the domestic government, engaging others to build on its own land, engaging others to build on</p>	<p>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 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</p>	
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<p><b><u>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 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 <b><u>same</u></b> provision is applicable <i>mutatis mutandis</i> to an event <b><u>where</u></b> 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</p>	<p>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 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</p>	
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<p>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 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>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 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>	
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<p>Article XI. Handling Procedures to Acquire or Dispose of <b><u>Intangible Assets, Rights to Use, or 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 assets</u></b>, the Company shall take</p>	<p>Article XI. Handling Procedures to Acquire or Dispose of Memberships or 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) with appraisal report(s) or fair prices in the markets to</p>	<p>With reason for amendment the same as that under Note Nos. 1 and 2 under Article VIII with amendment of wording as appropriate.</p>
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<p>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 adequate account and their opinions, both consent and objection as well as the reasons, should be entered into minutes of the meeting.</p>	<p>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 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</p>	
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<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 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</p>	<p>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 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</p>	
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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.	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>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><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></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>	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>Article XII. Procedures for the Acquisition or Disposal of Assets</p> <p>III. Internal Audit System</p> <p>Internal audit personnel shall</p>	<p>Article XII. Procedures for the Acquisition or Disposal of Assets</p> <p>III. Internal Audit System</p> <p>Internal audit personnel shall</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

<p>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>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>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 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><u>two preceding</u></b> paragraphs.</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 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>Amendment of wording as appropriate.</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>
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