

羅麗芬控股股份有限公司

Luo Lih-Fen Holding Co., Ltd

Minutes of 2019 Annual General Shareholders' Meeting

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

09:00 a.m., June 3, 2020 (Wednesday)

Venue of Shareholders' Meeting

Conference Room 1, 3F., 350 Songjiang Rd., Taipei City

Number of shares represented by shareholders present

Shares represented by the shareholders present and proxies totaled 41,048,606, accounting for 86.62% of the total shares issued by the Company, i.e. 47,388,000 shares and including the 5,854,998 shares represented by shareholders executing voting rights through e-voting.

Present Directors

Shih-Chinn Ho, Li-Chen Lin, Yu-Che Wang, Yin-Chieh Hsu, 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

Huan-Wen Jao, President of Luo Lih-Fen Holding Co., Ltd.

Chairman: Li-Fen Luo

Recorder: Yi-Chun Lin

I / Call the Meeting to Order

II / Opening Speech by the Chairperson

III / Issues Posed for Reporting

Management Presentation 1

2019 Business Report

Remark:

- I. For the Company's 2019 business report, please refer to Appendices 1 hereto.
- II. Respectfully submitted,

Management Presentation 2

2019 Audit Committee Inspection Report

Remark:

- I. For the Company's "2019 Audit Committee Inspection Report", please refer to Appendices 2

hereto.

- II. The motion has been approved upon resolution by 17th Meeting of Audit Committee of 1st Term and submitted to the shareholders' meeting pursuant to laws. Respectfully submitted,

Management Presentation 3

2019 Employee and Director Remuneration Distribution

Remark:

- I. According to Article 100 of the Company's Articles of Incorporation, where the Company has annual profits at the end of a financial year, the Company may distribute not less than one percent (1%) of the profits for such year to the Employees as the Employees' compensation and may distribute not more than three percent (3%) hereof to the Directors as the Directors' compensation, provided, however, that the total amount of accumulated losses of the Company, if any, shall be reserved from said profits in advance.
- II. Employee and director compensation for 2019 has been estimated per the suggestion raised by 6th Meeting of Remuneration Committee of 1st Term. The employee compensation is NT\$5,000,000, and the director and supervisor compensation NT\$7,200,000, accounting for 1.0% and 1.4% of the profits certified by the independent auditor, respectively, in 2019, and will be fully distributed in cash as listed.
- III. The motion has been approved upon resolution by 18th Meeting of the Board of Directors of 2nd Term and submitted to the shareholders' meeting pursuant to laws. Respectfully submitted,

Management Presentation 4

Amendments to the Company's "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct"

Remark:

- I. According to the Letter No. Financial-Supervisory-Securities-Corporate-1080341134 of Financial Supervisory Commission ("FSC"), the motion to amend the Company's "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" in part was proposed.
- II. For the comparative list of the amendments, please refer to Appendices 3 hereto.
- III. The motion has been approved upon resolution by 18th Meeting of the Board of Directors of 2nd Term and submitted to the shareholders' meeting pursuant to laws. Respectfully submitted,

Management Presentation 5

Amendments to the Company's "Corporate Social Responsibility Best Practice Principles"

Remark:

- I. According to the Letter No. Financial-Supervisory-Securities-Corporate-1080341134 of Financial Supervisory Commission ("FSC"), the motion to amend the Company's "Corporate Social Responsibility Best Practice Principles" in part was proposed.
- II. For the comparative list of the amendments, please refer to Appendices 4 hereto.
- III. The motion has been approved upon resolution by 18th Meeting of the Board of Directors of 2nd Term and submitted to the shareholders' meeting pursuant to laws. Respectfully submitted,

Management Presentation 6

Amendments to the Company's "Parliamentary Rules for Board of Directors Meeting"

Remark:

- I. According to the Letter No. Financial-Supervisory-Securities-Corporate-10803619346 of Financial Supervisory Commission ("FSC"), the motion to amend the Company's

“Parliamentary Rules for Board of Directors Meeting” in part was proposed.

- II. For the comparative list of the amendments, please refer to Appendices 5 hereto.
- III. The motion has been approved upon resolution by 18th Meeting of the Board of Directors of 2nd Term and submitted to the shareholders' meeting pursuant to laws. Respectfully submitted,

IV / Issues Posed for Acknowledgement

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

Subject Issue: 2019 Business Report and Financial Statement

Remark:

- I. The Company's 2019 business report has been submitted to the Audit Committee which has completed the review process and issued the Review Report.
- II. The Company's 2019 financial statements have been duly worked out, and duly audited in full by Shih-Jung Weng, CPA and Chun-Yao Lin, CPA of PwC Taiwan whose Audit Report was submitted to and duly reviewed by the Audit Committee with the Audit Report duly issued.
- III. The motion has been approved upon resolution by 18th Meeting of the Board of Directors of 2nd Term and submitted to the shareholders' meeting pursuant to laws.
- IV. For the 2019 business report, please refer to Appendices 1 hereto.
For the Company's independent auditor's report and financial statements, please refer to Appendices 6 hereto.
- V. Please duly acknowledge as appropriate.

Voting Results:

Shares represented at the time of voting: 41,048,606.

Voting Results	votes	%*	including votes through e-voting
Votes in favor	41,028,177	99.95%	5,850,743
Votes against	1,253	0.00%	1,253
Votes invalid	0	0.00%	0
Votes abstained	19,176	0.04%	3,002
RESOLVED, that the above proposal be and hereby was approved as proposed.			

* % of the total represented share present

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

Subject Issue: 2019 Distribution of Earnings

Remark:

- I. Upon the independent auditors' review on the Company's 2019 financial statements, the 2019 earnings are verified as NT\$497.740 million, with accumulated allocable earnings in an amount of NT\$451.827 million. In the present allocation of earnings, each common share is allocated with a NT\$7 cash dividend, with the aggregate total of earnings to be allocated amounting to NT\$331.716 million.
- II. For the Company's 2019 Statement for Distribution of Earnings, please refer to Appendices 7 hereto.
- III. For this distribution of earnings, in the event that the Company's implementation of treasury shares or capital increase, or any changes in laws and regulations affect the total number of the Company's outstanding shares, it is proposed that the Board of Directors be authorized by a shareholders' meeting to adjust the dividend distribution ratio per shareholder based on the number of actual shares outstanding on the record date for distribution, subject to the total earnings to be allocated from common shares as resolved by the shareholders' meeting. The cash dividend distributable to each shareholder was calculated to the dollar (amount under an

NTD dollar should be rounded to the nearest integer). The amount under a dollar was handled as other revenue for the Company.

- IV. After the motion was approved upon resolution by the shareholders' meeting, the Chairman was authorized by the Board of Directors to reschedule the base day of dividend allocation and such issues concerned..
- V. The motion has been approved upon resolution by 18th Meeting of the Board of Directors of 2nd Term and submitted to the shareholders' meeting pursuant to laws.
- VI. Please duly acknowledge as appropriate.

Voting Results:

Shares represented at the time of voting: 41,048,606.

Voting Results	votes	%*	including votes through e-voting
Votes in favor	41,016,177	99.92%	5,838,743
Votes against	13,253	0.03%	13,253
Votes invalid	0	0.00%	0
Votes abstained	19,176	0.04%	3,002
RESOLVED, that the above proposal be and hereby was approved as proposed.			

* % of the total represented share present

V / Issues Posed for Discussion

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

Subject Issue: Motion to amend the Company's "Articles of Incorporation" is hereby submitted for discussion.

Remark:

- I. In response to the "Foreign Issuer's Checklist for the Protection of Shareholders' Rights in the Country of Registration" promulgated by 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.
- II. For the comparative list of the amendments, please refer to Appendices 8 hereto.
- III. The motion has been approved upon resolution by 18th Meeting of the Board of Directors of 2nd Term and submitted to the shareholders' meeting pursuant to laws.
Please duly discuss as appropriate.

Voting Results:

Shares represented at the time of voting: 41,048,606.

Voting Results	votes	%*	including votes through e-voting
Votes in favor	41,028,177	99.95%	5,850,743
Votes against	1,253	0.00%	1,253
Votes invalid	0	0.00%	0
Votes abstained	19,176	0.04%	3,002
RESOLVED, that the above proposal be and hereby was approved as proposed.			

* % of the total represented share present

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

Subject Issue: Motion to amend the Company's "Operating Procedures for Loaning Funds to Others" is hereby submitted for discussion.

Remark:

- I. According to the Public Announcement No. Financial-Supervisory-Securities-Auditing-1080304826 of Financial Supervisory Commission ("FSC"), the motion to amend the Company's "Operating Procedures for Loaning Funds to Others" in part was proposed.
- II. For the comparative list of the Amended, please refer to Appendices 9 hereto.
- III. The motion has been approved upon resolution by 13th Meeting of the Board of Directors of 2nd Term and submitted to the shareholders' meeting pursuant to laws.
Please duly discuss as appropriate.

Voting Results:

Shares represented at the time of voting: 41,048,606.

Voting Results	votes	%*	including votes through e-voting
Votes in favor	41,013,177	99.91%	5,835,743
Votes against	16,253	0.03%	16,253
Votes invalid	0	0.00%	0
Votes abstained	19,176	0.04%	3,002
RESOLVED, that the above proposal be and hereby was approved as proposed.			

* % of the total represented share present

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

Subject Issue: Motion to amend the Company's "Operating Procedures for Endorsement and Guarantee" is hereby submitted for discussion.

Remark:

- I. According to the Public Announcement No. Financial-Supervisory-Securities-Auditing-1080304826 of Financial Supervisory Commission ("FSC"), the motion to amend the Company's "Operating Procedures for Endorsement and Guarantee" in part was proposed.
- II. For the comparative list of the Amended, please refer to Appendices 10 hereto.
- III. The motion has been approved upon resolution by 13th Meeting of the Board of Directors of 2nd Term and submitted to the shareholders' meeting pursuant to laws.
Please duly discuss as appropriate.

Voting Results:

Shares represented at the time of voting: 41,048,606.

Voting Results	votes	%*	including votes through e-voting
Votes in favor	41,018,177	99.92%	5,840,743
Votes against	11,253	0.02%	11,253
Votes invalid	0	0.00%	0
Votes abstained	19,176	0.04%	3,002
RESOLVED, that the above proposal be and hereby was approved as proposed.			

* % of the total represented share present

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

Subject Issue: Motion to amend the Company's "Parliamentary Rules for Shareholders' Meeting" is hereby submitted for discussion.

Remark:

- I. According to the Public Announcement No. Taiwan-Stock-Governance-1080024221 of Taiwan Stock Exchange Corporation ("TWSE"), the motion to amend the Company's "Parliamentary Rules for Shareholders' Meeting" in part was proposed.
- II. For the comparative list of the amendments, please refer to Appendices 11 hereto.
- III. The motion has been approved upon resolution by 18th Meeting of the Board of Directors of

2nd Term and submitted to the shareholders' meeting pursuant to laws.
Please duly discuss as appropriate.

Voting Results:

Shares represented at the time of voting: 41,048,606.

Voting Results	votes	%*	including votes through e-voting
Votes in favor	41,019,177	99.92%	5,841,743
Votes against	10,253	0.02%	10,253
Votes invalid	0	0.00%	0
Votes abstained	19,176	0.04%	3,002
RESOLVED, that the above proposal be and hereby was approved as proposed.			

* % of the total represented share present

VI / Issues Posed for Director Election (Election Matters)

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

Subject Issue: Motion for Reelection of the Company's Directors and Independent Directors of 3rd Term is hereby submitted for discussion.

Remark:

- I. The terms of office held by the Company's directors and independent directors of 2nd term will expire on November 29, 2020. According to Article 68 of the amended Articles of Incorporation, the Company plans to re-elect the directors and independent directors of 3rd term in whole at the general shareholders' meeting on June 3, 2020 in advance. The directors of 2nd term shall retire from the position accordingly upon re-election of directors of 3rd term at the general shareholders' meeting. The new directors will succeed to the position after being elected at the general shareholders' meeting, and shall hold the position from June 3, 2020 until June 2, 2023.
- II. According to Article 65(1) of the Company's Articles of Incorporation, the Board shall consist of not less than five (5) or more than twelve (12) directors (including independent directors). Therefore, 8 directors will be elected at the shareholders' meeting (including four (4) directors and four (4) independent directors) to form the Board of Directors. The candidate nomination system is adopted for the election of the Company's directors and independent directors. The directors and independent directors are elected under the Cumulative Voting System at a shareholders' meeting.
- III. The name list of nominees for the Company's directors and independent directors of 3rd term has been reviewed and approved at the 18th Meeting of Board of Directors of 2nd Term on March 9, 2020, which may be included into the election at the 2020 general shareholders' meeting. The candidates for independent directors satisfy the directors' negative qualifications referred to in Article 83 and Article 84 of the Company's Articles of Incorporation. The independent directors satisfy the qualifications, independence and restrictions on concurrent position under the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.
- IV. Names, educational background and work experience of the candidates for directors and independent directors are stated as following:

Name list of the candidates for the general directors nominated by the Board of Directors at the general shareholders' meeting on June 3, 2020

Category of nominee	Name/ID of nominee	Act. No.	Educational background	Work experience	Name of represented government or institutional investor
Director	Black Praise International Limited (Representative: Li-Fen Luo K220*****)	3	--	--	None
Director	Talent Reach (HK) Limited (Representative: Huan-Wen Jao A120*****)	5	--	--	None
Director	Shih-Chinn Ho D120*****	19	Master of Management, National Taiwan University Master of Financial Management, Golden Gate University Department of Business Administration, Fu Jen Catholic University	President for the 24th Session of the Third Council for Industrial and Commercial Development Vice Chairman (Institutional Representative) of Trade-Van Information Services Co. 10th Chairman of the National Taiwan University EMBA Alumni Foundation	None
Director	Li-Chen Lin E200*****	35	Master of Business Administration, Tulane University Bachelor of Law, National Taipei University	Director of PCL TransAsia Law Offices Chairman of LeadSun Investment & Asset Management Limited Director of Central Motion Picture Co. Director of Phalanx Biotech	None

Name list of the candidates for the independent directors nominated by the Board of Directors at the general shareholders' meeting on June 3, 2020

Job title of nominee	Name of nominee	Educational background	Current job, work experience, and expertise
Independent Director	Hsiao-Ling Chou A220*****	Master of Finance, National Taiwan University Department of International Business, Feng Chia University	Ms. Hsiao-Ling Chou is a professional specialized in finance or accounting. Have work experience over commerce, finance, or accounting, or areas otherwise necessary for the business of the Company for more than five years [Current job] Independent Director/Audit Committee Member/Remuneration Committee Member of Luo Lih-Fen Holding Co., Ltd. Director of Yuanta Futures (Hong Kong) Co., Ltd. Director and General Manager of Yuanta Futures Co., Ltd. Director of Taiwan Futures Exchange (TAIFEX) Director of Yuanta Foundation Director of SYF Information (Shanghai) Director of SYF Information (Samoa) Director of SYF Information [Work experience] Vice Chairman and General Manager of Polaris MF Global Futures Co., Ltd. Deputy General Manager of OCBC Bank General Manager of the Securities Brokerage Division, Polaris Securities Executive Vice President and Spokesperson, Polaris Trust
Independent Director	Yu-Che Wang J120*****	Ph.D. in Business Education, University of Missouri-Columbia Master of Business Administration, University of Massachusetts Dartmouth, USA Bachelor of Financial Management, University of Maryland, USA	Mr. Yu-Che Wang is a professional specialized in finance or accounting. Have work experience in lecturer (or above) of commerce, finance, accounting, or any subject relevant to the Company's operations in a public or private college/university [Current job] Independent Director/Audit Committee Member/Remuneration Committee Member of Luo Lih-Fen Holding Co., Ltd. Associate Professor of the Department of Business Administration, Chung Hua University Chairman of Board, Taiwan Nanli Electric Co., Ltd. International Consultant of the Taiwan Institute of Economic Research Expert Judging Committee Member of MAPECT Expert Member of Public Construction Commission Director of Chung Hua University Director of World Senior High School [Work experience] Researcher, National Policy Foundation Consultant, Hsinchu City Government

Job title of nominee	Name of nominee	Educational background	Current job, work experience, and expertise
Independent Director	Yin-Chieh Hsu N122*****	Master of Accounting, College of Management, National Taiwan University EMBA Bachelor of Law, National Taipei University	Mr. Yin-Chieh Hsu has passed the bar examination and been awarded a certificate in a profession/technology. Have work experience over law, or areas otherwise necessary for the business of the Company for more than five years [Current job] Independent Director/Audit Committee Member/Remuneration Committee Member of Luo Lih-Fen Holding Co., Ltd. 1. Director of HC & Partners Independent Director of ONANO CORPORATION Institutional Representative of Supervisor of GRAND HALL ENTERPRISE CO., LTD. Independent Director/Audit Committee Member/Remuneration Committee Member of Allied Biotech Corporation Director of Changhua Public Service Channel Foundation [Work experience] Member of the Gender Work Equality Committee, Central Taiwan Science Park Administration, National Science Council, Executive Yuan Honorary Attorney-at-Law, Small and Medium Enterprise Administration, MOEA Consultant of the Chinese Federation of Labor Consultant of Changhua County Government Legal Support Member of Changhua County Government Labor Arbitration Committee Member of the Aviation Police Department Legal Advisory Committee Lecturer for Real Estate Salespersons in Civil Code, Fair Trade Act and Consumer Protection Law of Ministry of Interior
Independent Director	Kuo-Cheng Wang F120*****	Master, Business Administration, National Taiwan University Bachelor of Business, National Taiwan University	Mr. Kuo-Cheng Wang has the practical experience in business management and brand marketing for domestic/foreign renowned enterprises. Have work experience over commerce, or areas otherwise necessary for the business of the Company for more than five years [Current job] Independent Director of Hon Hai Precision Industry Co., Ltd. Independent Director of Apex Medical Corp. Independent Director of HannStar Board Corporation Supervisor of GGA Corp. [Work experience] Chairman of Board of les elephants General Manager of leas elephants

Results of Election:

List of Directors Elected

Name	Act. No.	Numbers of Votes Received	including votes through e-voting
Black Praise International Limited (Representative: Li-Fen Luo)	3	181,351,546	39,660,164
Talent Reach (HK) Limited (Representative: Huan-Wen Jao)	5	20,215,146	254,012
Shih-Chinn Ho	19	20,225,134	264,000
Li-Chen Lin	35	20,207,176	5,287,764

List of Independent Directors Elected

Name	Numbers of Votes Received	including votes through e-voting
Hsiao-Ling Chou	25,649,468	282,212
Yu-Che Wang	20,087,530	258,196
Yin-Chieh Hsu	20,057,130	252,196
Kuo-Cheng Wang	20,154,934	270,200

VII / Other Matters for Discussion

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

Subject Issue: Motion to terminate the non-competition restrictions imposed on the new directors of 3rd term and their representatives (including independent directors)

Remark:

- I. According to Article 26-1 of the Securities and Exchange Act, the Company plans to ask the shareholder' meeting for approval that the directors (and their representatives) and independent directors elected at the general shareholders' meeting may be relieved from the non-competition restrictions since the date of their appointment if they engage in the activities involving the non-competition requirements referred to in Article 209 of the Company Act, insofar as the Company's interest is not injured therefor.
- II. The details about job responsibilities of new directors and independent directors who are relieved from the non-competition restrictions upon election at the shareholders' meeting:

Job title	Name	Concurrent positions at other companies
Director	Black Praise International Limited (Representative: Li-Fen Luo)	
Representative of Institutional Director	Luo Li-Fen	Supervisor of Zhangzhou Kaipu Biotechnology Co. Director of Allied Biotech Corporation Director of Luo Lih-Fen Enterprise Limited Director of Lever Guide Biotech Co., Ltd.
Director	Talent Reach (HK) Limited (Representative: Huan-Wen Jao)	
Representative of Institutional Director	Huan-Wen Jao	Director of Luo Lih-Fen Group Co., Ltd. Executive Director of Jiawenli (Fujian) Cosmetics Co., Ltd. Executive Director and General Manager of Zhangzhou Kaipu Biotechnology Co. Executive Director of Huiwenli (Fujian) Enterprise Management Co., Ltd. Executive Director of LiChuang (FuJian) Bio-Technology Co., Ltd. Director of Luo Li-Fen Group Limited
Director	Shih-Chinn Ho	Director of Ever Supreme Bio Technology Independent Director of Center Laboratories, Inc. Director of Allied Biotech Corporation
Director	Li-Chen Lin	Director of Phalanx Biotech
Independent Director	Hsiao-Ling Chou	
Independent Director	Yu-Che Wang	
Independent Director	Yin-Chieh Hsu	Independent Director/Audit Committee Member/Remuneration Committee Member of Allied Biotech Corporation
Independent Director	Kuo-Cheng Wang	

III. Please duly discuss as appropriate

Voting Results:

Shares represented at the time of voting: 6,264,172.

(above votes consider the abstention from voting on a conflict of interest)

Voting Results	votes	%*	including votes through e-voting
Votes in favor	6,225,677	99.38%	5,832,677
Votes against	16,319	0.26%	16,319
Votes invalid	0	0.00%	0
Votes abstained	22,176	0.35%	6,002
RESOLVED, that the above proposal be and hereby was approved as proposed.			

* % of the total represented share present

VIII / Extraordinary (Unscheduled) Motions

None.

IX / Adjournment of the Meeting

June 3, 2020 at 09:45 am

— A p p e n d i c e s —

1. 2019 Business Report

Letter to Shareholders

First, I would like to thank all shareholders for their unyielding support of Luo Lih-Fen Holding Co., Ltd. (hereafter the "Company") for the past year allowing the Company to operate and grow smoothly this year (2019). The Company had a bountiful year this year (2019). I would like to present the 2019 operating results and the 2020 business plan summary reports as follows:

I. 2019 Operating Results

(I) Results of Enforcement of the Business Plans

In 2019, the Company's consolidated operating revenue reached NT\$1,445,695 thousand, growing by 6.44% over the NT\$1,358,184 thousand for the consolidated operating revenue in 2018. The 2019 net profit after tax reached NT\$497,740 thousand, growing by 15.42% over the net profit after tax in 2018, NT\$431,247 thousand.

In terms of target markets, the operating revenue earned in Mainland China came to NT\$1,440,498 thousand, accounting for 99.64% of the total 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 2019, the Company showed the debt ratio of 15.82%, current ratio of 499.92%, with net profitability of 34.43%, and cash inflow in operating activities amounting to NT\$17,497 thousand. These figures endorse that the Company has adequate cash flows and a sound financial structure.

(III) Performance in Research and Development

The Company's main product research and development is carried out in two aspects, namely independent R&D plans and market customers' expectations or needs for the effects of skin care products.

Following the decryption of 25,000 human genes, including those related to skin and aging, skin care will inevitably enter the genetic age, and by inhibiting or facilitating gene expression profiles, improve skin condition and delay skin aging. The Company invests funds in the genetic testing equipment and instrument, including 2nd-generation high-throughput genome sequencing machine, et al., and also enroll professionals to engage in researching the genetic technology. The current topics under research primarily include the following:

1. Research the state of microecology on the skin surface of the human beings with different skin conditions under genome sequencing method;
2. Research the effect to skin and aging-related genes produced by the plant-based ingredients, at the level of molecular-regulation signal pathways.

Collaborative projects with domestic leading academic and research institutions:

In June 2019, the Company executed two research projects with Hungkuang University, namely the "Project for Development and Industrial Application of Cosmetics and Skin Care Products Based on Taiwan Hibiscus" and "Research Project for Development and Industrial

Application of Raw Materials Based on Dihydromyricetin", as the existing R&D orientation, to further develop the preparation and application of plant-based raw materials.

In December 2019, the Company executed the Agreement for "Industry-Academia Cooperation for Stem Cell Polypeptide Anti-Aging Obstetrics" with Tzu Chi (Hualien Tzu Chi Medical Center). The Company holds its own brand and experience in development and management of channel-related markets. Upon receipt of the technology license from Tzu Chi, the Company will complete the commercialization and launch of the products in the market promptly, tied with the "customization" service, in order to launch into the new age for precision skin, beauty and health care services. In the future, Tzu Chi will help plan and establish the GTP laboratories for the Company, including application for protocols, planning of laboratories, and establishment of quality systems in Taiwan, in order to help the Company engage in the application and research related to the mesenchymal stem cell (MSC).

(IV) Budget Implementation Status

The Company did not disclose a financial forecast, but the overall budget implementation is in line with the scope set by the Company.

II. Operating Plan Summary for 2020

(I) Business Policy

"WE Way to Exceed Embrace New Life Mutual Support"

By establishing the new retail, new brand, new membership system, new resource From the establishment of new retail, new brands, new membership systems, new resource cooperation, and new promotion, i.e. from 1 to 100, the Company has kept seeking more resources, platforms and effective approaches based on these "new" strategies, to help "us" pursue the overall goals for quality, wisdom, survival, and growth. After, as a whole, "we" are like partners on the same ship.

(II) Sales Volume Forecast and Supporting Basis

In 2020, we shall closely team up with upstream and downstream partners for firm implementation of key strategies: "Product Specialization", "Lifelong Users", "Team Expertization", "Scene Diversity", and "Marketing Institutionalization". Pursuant to the respective market shares held by the Company's brands, we shall accomplish the targets of growth, Including:

1. Three major facial brands: GLINGLUO, SUNLILY and DRAISE

All of them refer to the most matured brands of the Company. As affected by the Sino-US Trade War and the decline in the real estate market and outbreak of COVID-19 in the mainland China, the force to drive the growth of consumption in the mainland China became sluggish. Notwithstanding, the Company still defines its growth strategies and implements the same strictly to seek continuous development of its beauty care business.

2. Health brand: QIECOME

A gene technology-based health care brand has been launched in Q2 of 2019. Meanwhile, the solicitation for five to eight provincial-level distributors and dealers were also completed at the end of that year.

3. High-end brand: LIRUOYA

The emerging “Customization” health medical and beauty care brand owned by the Company, upon integration of the stem cell research and application technology of Tzu Chi Hospital with the Company’s frontier professional skin care aesthetics, as supported by advanced instruments and based on authoritative experts, with the wise and ingenious spirit in research and craftsmanship demonstrating luxury through detailed works, and by providing the ultimate experience beyond expectation, is dedicated to serving high-end beauty care lovers, creating exquisite and perfect looks and demonstrating the glowering characteristics owned by the female unknowingly.

4. New retail brand: EasyBio

In the recent years, the development of cosmetics has started to be oriented toward young images, technology and intelligence. Accordingly, the Company also starts to transform itself. The new retail brand, “EasyBio”, was launched in December 2019. Its online channels include the brand malls, such as Tmall and JD.Com, while the offline stores include 4,000 beauty salons and physical stores recruited under the expansion plan (each physical store corresponds to some online mall) to complete the entire circle for online and offline sales and experience. Meanwhile, it is also promoted via social media APPs, including celebrities, social media influencers’ live streaming, Weibo, TikTok, Xiaohongshu, and TouTiao.

I. The Company’s Future Development Strategy

The Company will establish the “Luo Lih-Fen Ecosystem”, namely the “Co-construction of Ecological Environment” + “New Retail” + “Website Marketing” strategies, to link products, expertise and customers, from manufacturers to terminals and then to customers, to form the recycling system for sales growth, and based on big data, portray the consumer groups, control the two aspects (namely, online and offline consumption) through the entire process of product life cycle management, from consumer awareness, understanding, purchase, use, after-sale until repurchase. Upgrade each retail cycle, optimize each possible consumption timing, and drive faster sales growth.

IV. Impacts from the External Competition, Legal Environment, and Overall Business Environment:

(1) Impacts from the External Competition and the Overall Business Environment:

The GDP growth rate in China is 6.1%, of which the added value of the tertiary industry accounts for 53.9% of GDP and its contribution rate to economic growth is 59.4%. The economic structure has been further optimized, the basic role of consumption has been further enhanced, and final consumption has accounted for 57.8% of economic growth for the whole year. In 2019, the Chinese government has continued to increase ecological environment management and environmental protection efforts, and actively promoted the coordination of sustainable economic and environmental resources development. Green development and ecological civilization construction will continue to be one of the key policies in the next few years. As the income growth of residents has outpaced economic growth, and annual per capita disposable income of national residents has increased by 8.9% compared to that of the previous year. After deducting the price factor, the actual growth rate is 5.8%. Among the enterprise products with retail prices above a certain level, the growth rate of the cosmetics category was 9.6%, which exceeded the growth rate of total social consumer goods. The growth rate is on the rise.

According to the statistics of the China National Bureau of Statistics on retail sales of consumer goods for the whole year of 2019, the total retail sales of consumer goods in 2019 reached RMB41,164.9 billion, with the yoy by 8.0%, of which the total retail sales of cosmetics was RMB 299.2 billion, an increase by 12.6% over 2018. Because people tend to improve their quality of life and the "hotness", cosmetics has been the main growth part of social consumer goods in retail projects. From 2015 to 2019, the total retail sales of cosmetics in China ranged from RMB204.9 billion to 299.2 billion, with an average annual growth rate of 9.2%. The overall performance of cosmetics in the Chinese market in recent years is higher than the average growth rate of social consumer goods. According to the cosmetics retail sales trend for the recent years, the statistics from the market research institution, Intelligence Research Group, forecast that the cosmetics retail market scale will reach RMB444.6 billion in 2022. Given this, both local and foreign brands are working hard to invest more than hundreds of billion dollars to the cosmetics market in mainland China. In the recent years, a dozen of tangible or online brands have been emerging one by one. Both local brands and foreign brands are actively investing in China's booming market of cosmetics. In recent years, there are many emerging entities. Or the rise of online brands. In a decentralized competitive market, premium brands have a strong market appeal and more opportunities for market integration. Meanwhile, franchisee's operations are directly affected by the macroeconomic environment and consumer disposable income. The orientation of urbanization and mass entrepreneurship will promote the geographical depth and breadth of store establishment. The development of e-commerce is conducive to transcending geographical restrictions and expanding consumer groups, which will bring more development opportunities to the Company. The transformation and upgrading of traditional industries and the combination of online and offline marketing methods have further highlighted the Company's competitive advantages in terms of its unique products and

services combination as well as the development advantages created by the cross-border e-commerce of the collection of premium brands.

(II) Regulatory Environment Impacts

China has established the “Hygienic Specification for Cosmetics,” “Regulations on Hygiene Supervision of Cosmetics,” “Detailed Rules for the Implementation of the Regulations on Hygiene Supervision of Cosmetics,” “Regulations on the Administration of Production Licenses for Industrial Products,” “Domestic Non-special Use Cosmetics Record Management Measures”, “Regulations on the Management of Cosmetic Labels”, “Inspecting Rules for Cosmetics”, and “Rules on the Implementation of Cosmetics Registration and Recordkeeping for Inspection” with respect to the production of beauty care and skin care products. Therefore, enterprises are allowed to engage in production and sale of beauty care and skin care products in the mainland China upon receipt of multiple legal and valid licenses and permits. Obtaining relevant licenses in accordance with the laws and regulations has a significant impact on the business operations of the Company. However, as of the date of publication of the Annual Report, there is no business or operating license or permit that the Company has been unable to obtain.

Finally, I would like to extend my sincere gratitude to all shareholders for their support and encouragement to the Company. The colleagues of the Company will continue to seek the best interests of shareholders in return for their continual affirmation and support. I would like to extend my highest regards to all of the shareholders and wish you all the best.

Luo Lih-Fen Holding Co., Ltd.

Chairman: Li-Fen Luo



General Manager: Huan-Wen Jao



Chief Accountant: Xiu-Qiong Zhang



II. 2019 Audit Committee Inspection Report

Audit Committee Inspection Report

The Board of Directors was approved to

prepare the Company's 2019 business report, financial statements and earnings distribution plan, in which the financial statements have been inspected by Shih-Jung Weng, CPA and Chun-Yao Lin, CPA of PwC Taiwan, who gave an unqualified opinion in their audit report. The Audit Committee, after completing the audit of said reports and statements prepared by the Board of Directors, believes that they are free of material misstatement, and thus produces this report according to Article 14-4 and Article 14-5 of the Securities and Exchange Act. Please review and approve it.

To:

2019 General Shareholders' Meeting of Luo Li-Fen Holding Co., Ltd.

Luo Lih-Fen Holding Co., Ltd.

Audit Committee

Convener: Hsiao-Ling Chou



March 9, 2020

III. Comparative List of Amendments to the “Ethical Corporate Management Best Practice Principles” and “Ethical Operating Procedures and Behavior Guideline”

Luo Lih-Fen Holding Co., Ltd.

Comparative List of Amendments to the Ethical Corporate Management Best Practice Principles

Amended provisions	Existing provisions	Notes
<p>Article 7. Prevention Program</p> <ol style="list-style-type: none"> Omitted Omitted In the course of developing the prevention program, the Company is advised to communicate with its staff, labor union, <u>important trading counterparts</u>, or other <u>stakeholders</u>. 	<p>Article 7. Prevention Program</p> <ol style="list-style-type: none"> Omitted Omitted In the course of developing the prevention program, the Company is advised to negotiate with its staff, labor union or <u>other institutional members</u>, and <u>communicate with related interested groups</u>. 	<p>To encourage the Company to communicate with its staff, labor union, important trading counterparts or other stakeholders for the prevention program against unethical conduct and then ask said subjects to comply with the Company's ethical management policy.</p>
<p>Article 8. Scope of Prevention Program</p> <p>The Company <u>shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis</u> business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish <u>prevention programs accordingly and review their adequacy and effectiveness on a regular basis</u>.</p> <p>It is advisable for the Company to establish the prevention program which shall at least include preventive measures against the following:</p> <ol style="list-style-type: none"> Omitted Omitted Omitted Omitted <u>Infringement upon business secrets, trademark rights, patent rights, copyrights, and other intellectual</u> 	<p>Article 8. Scope of Prevention Program</p> <p>The Company <u>shall analyze</u> business activities within its business scope which are at a higher risk of being involved in unethical conduct, and <u>strengthen related prevention measures, when establishing the prevention program</u>.</p> <p>It is advisable for the Company to establish the prevention program which shall at least include preventive measures against the following:</p> <ol style="list-style-type: none"> Omitted Omitted Omitted Omitted 	<p>Additions of the prevention measures to strengthen the protection on the industry's business secrets, trademark, patent, copyright, unfair competition and damage to consumers' interest and right, et al..</p>

Amended provisions	Existing provisions	Notes
<p><u>property rights.</u></p> <p>6. <u>Engaging in unfair competitive practices.</u></p> <p>7. <u>Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.</u></p>		
<p>Article 9. Undertaking and Execution</p> <p><u>The Company shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</u></p> <p><u>The Company and its business group and organization shall clearly specify in their rules and external documents and on the Company's website the ethical corporate management policies and the commitment by the Board of Directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.</u></p> <p><u>The Company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.</u></p>	<p>Article 9. Undertaking and Execution</p> <p>The Company shall clearly specify in its rules and external documents the ethical corporate management policies and the Board of Directors and management shall <u>commit to</u> thoroughly implement such policies, and shall carry out the policies in internal management and <u>external</u> commercial activities.</p>	<p>The Company shall compile documented information on the ethical management policy, statement, commitment and implementation and retain said information properly.</p>
<p>Article 10. Commercial activities based on the principle of ethical management</p> <p>1. The Company shall engage in commercial activities in a fair and transparent manner <u>based on the</u></p>	<p>Article 10. Commercial activities based on the principle of ethical management</p> <p>1. The Company shall engage in commercial activities in a fair and transparent manner.</p>	<p>To demand in the contracts that the trading counterparts should comply with the Company's ethical policy.</p>

Amended provisions	Existing provisions	Notes
<p><u>principle of ethical management.</u></p> <p>2. Omitted</p> <p>3. When entering into contracts with any <u>agents, suppliers, clients, or other trading counterparts</u>, the Company shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparts are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.</p>	<p>2. Omitted</p> <p>3. When entering into contracts with another person, the Company shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparts are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.</p>	
<p>Article 11. Prohibition of offering and acceptance of bribes</p> <p>When conducting business, the Company and its directors, supervisors, managers, employees, <u>mandataries</u>, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, <u>public servants, or other stakeholders</u>, unless the laws applicable in the jurisdiction where the Company carries out its business are satisfied.</p>	<p>Article 11. Prohibition of offering and acceptance of bribes</p> <p>When conducting business, the Company and its directors, supervisors, managers, employees, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form, <u>including rebate, commission or facilitating payment, or offer, promise to offer or accept any improper benefits to or from clients, agents, contractors, suppliers, public servants, or other stakeholders in any other manner</u>, unless the laws applicable in the jurisdiction where the Company carries out its business are satisfied.</p>	<p>To define the subjects prohibited from accepting any improper benefits.</p>
<p>Article 12. Prohibition of non-political donations</p> <p>When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, supervisors, managers, employees, <u>mandataries</u>, and substantial controllers, shall comply with the Political Donations Act and</p>	<p>Article 12. Prohibition of non-political donations</p> <p>When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, supervisors, managers, employees, substantial controllers, shall comply with the Political Donations Act and their own</p>	<p>To add the "mandataries"</p>

Amended provisions	Existing provisions	Notes
their own relevant internal operating procedures, and shall not make such donations in exchange for commercial gains or business advantages.	relevant internal operating procedures, and shall not make such donations in exchange for commercial gains or business advantages.	
Article 13. Prohibition of unfair charity donations or sponsorship When making or offering donations and sponsorship, the Company and its directors, supervisors, managers, employees, <u>mandataries</u> , and substantial controllers shall comply with relevant laws and regulations and internal operating procedures, and shall not surreptitiously engage in bribery.	Article 13. Prohibition of unfair charity donations or sponsorship When making or offering donations and sponsorship, the Company and its directors, supervisors, managers, employees, and substantial controllers shall comply with relevant laws and regulations and internal operating procedures, and shall not surreptitiously engage in bribery.	Addition of the “mandataries”
Article 14. Prohibition of unreasonable presents, hospitality or other improper benefits The Company and its directors, supervisors, managers, employees, <u>mandataries</u> , and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.	Article 14. Prohibition of unreasonable presents, hospitality or other improper benefits The Company and its directors, supervisors, managers, employees, substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.	Addition of the “mandataries”
<u>Article 15. Prohibition of infringement on intellectual property rights</u> <u>The Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the Company's internal operating procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose of, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.</u>		Addition of the provision requiring that enterprises shall respect intellectual property rights to avoid the risk over infringement.

Amended provisions	Existing provisions	Notes
<p><u>Article 16 Prohibition of unfair competitive practices</u></p> <p><u>The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.</u></p>		<p>To add this provision based on Fair Trade Act to regulate the competition practices among TWSE/TPEx-listed companies and maintain the sound market mechanism.</p>
<p><u>Article 17. Prevention of products or services from damaging stakeholders</u></p> <p><u>In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.</u></p>		<p>Based on the Consumers Protection Act, demand that the institutions should disclose the number of cases involving their violations of the product and service health and safety regulations, and also voluntary guidelines.</p>
<p>Article 18. Organization and responsibility</p> <p>1. The Company's <u>directors, supervisors,</u></p>	<p>Article 15. Organization and responsibility</p> <p>1. The Company's Board of Directors</p>	<p>1. To adjust the Article No.</p> <p>2. The ethical corporate</p>

Amended provisions	Existing provisions	Notes
<p><u>managers, employees, mandataries, and substantial controllers</u> shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>2. To achieve sound ethical corporate management, the Company shall establish a dedicated unit responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall <u>be in charge of the following matters</u>, and shall report to the Board of Directors on a regular basis (<u>at least once a year</u>):</p> <p>(1) <u>Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</u></p> <p>(2) <u>Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to</u></p>	<p>shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>2. To achieve sound ethical corporate management, the Company shall establish a dedicated unit responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall also report to the Board of Directors on a regular basis:</p>	<p>management dedicated unit is responsible for analyzing and assessing the risk over unethical conduct within the business scope periodically. The relevant text is amended accordingly.</p>

Amended provisions	Existing provisions	Notes
<p><u>the Company's operations and business.</u></p> <p>(3) <u>Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</u></p> <p>(4) <u>Promoting and coordinating awareness and educational activities with respect to ethics policy.</u></p> <p>(5) <u>Developing a whistle-blowing system and ensuring its operating effectiveness.</u></p> <p>(6) <u>Assisting the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</u></p>		
<p>Article 19. Compliance with laws when conducting business</p> <p>The Company's directors, supervisors, managers, employees, <u>mandataries</u>, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.</p>	<p>Article 16. Compliance with laws when conducting business</p> <p>The Company <u>and its</u> directors, supervisors, managers, employees, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.</p>	<p>To adjust the Article No. and add the “mandataries”.</p>
<p>Article 20. Avoidance of conflict of interest</p>	<p>Article 17. Avoidance of conflict of interest <u>by directors and managers</u></p>	<p>1. To adjust the Article No. 2. To emphasize that the</p>

Amended provisions	Existing provisions	Notes
<p>1. The Company shall adopt policies for preventing conflicts of interest to <u>identify, monitor, and manage risks possibly resulting from unethical conduct</u>, and shall also offer appropriate means for directors, supervisors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company.</p> <p>2. When a proposal at a given Board of Directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, <u>supervisors, managers, and other stakeholders attending or present at board meetings</u> of the Company, the concerned person <u>shall state the important aspects of the relationship of interest at the given board meeting</u>. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.</p> <p>3. The Company's directors, supervisors, managers, <u>employees, mandataries, and substantial controllers</u> shall not take advantage of their positions or influence in the Company to obtain</p>	<p>1. The Company shall adopt policies for preventing conflicts of interest, and shall also offer appropriate means for directors, supervisors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company.</p> <p>2. The Company's directors shall practice high self-discipline. When a proposal at a given Board of Directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors and thereby is likely to prejudice the interest of the Company, the concerned person <u>shall state his/her opinion and provide answers</u>. Meanwhile, he/she may not participate in discussion of or voting on the proposal but shall recuse himself or herself from the discussion or the voting, or be prohibited from exercising voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.</p> <p>3. The Company's directors, supervisors and managers shall not take advantage of their positions or influence in the Company to obtain improper benefits for themselves,</p>	<p>Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage related risks.</p> <p>3. To prevent employees, mandataries, and substantial controllers from taking advantage of their positions or influence in the Company to obtain improper benefits for themselves or others.</p>

Amended provisions	Existing provisions	Notes
improper benefits for themselves, their spouses, parents, children or any other person.	their spouses, parents, children or any other person.	
<p>Article <u>21</u>. Accounting and internal control</p> <p>1. Omitted</p> <p>2. The internal audit unit of the Company shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</p> <p>3. <u>The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit</u> and put down in writing in the form of an audit report to be submitted to the Board of Directors.</p>	<p>Article 18. Accounting and internal control</p> <p>1. Omitted</p> <p>2. The Company's <u>internal auditors</u> shall <u>audit the compliance with the systems referred to in the preceding paragraph periodically</u>, and put down in writing in the form of an audit report to be submitted to the Board of Directors.</p>	<p>1. To adjust the Article No.</p> <p>2. The internal audit unit shall prepare the annual audit plan, inspect the Company's internal control based on the plan, and put down in writing in the form of an audit report.</p> <p>3. Add the provision providing that if the Company deems it necessary, it may engage professionals to help the independent auditor with the audit.</p>
<p>Article <u>22</u>. Operating procedures and guidelines</p> <p>The Company shall establish operating procedures and guidelines in accordance with Article 7 hereof to guide <u>directors, supervisors, managers, employees, and</u> substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:</p> <p>Omitted</p>	<p>Article <u>19</u>. Operating procedures and guidelines</p> <p>The Company shall establish operating procedures and guidelines in accordance with Article 7 hereof to guide substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:</p> <p>Omitted</p>	<p>To adjust the Article No. and identify the objects</p>
<p>Article 23. Training and performance appraisal</p> <p>1. <u>The Chairman, general manager, or senior management of the Company shall communicate the importance of</u></p>	<p>Article 20. Training and performance appraisal</p> <p>1. The Company shall periodically organize training and awareness programs for directors, supervisors,</p>	<p>1. To adjust the Article No.</p> <p>2. The Company's senior management shall create the atmosphere, concept and belief about corporate ethics</p>

Amended provisions	Existing provisions	Notes
<p><u>corporate ethics to its directors, employees, and mandataries on a regular basis.</u></p> <p>2. The Company shall periodically organize training and awareness programs for directors, supervisors, managers, employees, <u>mandataries</u>, and substantial controllers and invite the Company's commercial trading counterparts so they understand the Company's determination to implement ethical corporate management, and the policies and prevention programs related thereto, and the consequences of committing unethical conduct.</p> <p>3. The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.</p>	<p>managers, employees, and substantial controllers and invite the Company's commercial trading counterparts so they understand the Company's determination to implement ethical corporate management, and the policies and prevention programs related thereto committing unethical conduct.</p> <p>2. The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.</p>	<p>in the enterprise, and communicate the same to the directors, employees and mandataries to upgrade the ethical corporate management cultures throughout the Company.</p>
<p>Article 24. Whistle-blowing system <u>The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:</u></p> <p>1. <u>An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel</u></p>	<p>Article 21. Whistle-blowing and <u>discipline</u></p> <p>1. <u>The Company shall provide fair whistle-blowing channels and keep the whistle-blower's identity and content of reported cases in confidence strictly.</u></p>	<p>1. To adjust the Article No. 2. To demand that the Company should institutionalize the whistle-blowing procedure.</p>

Amended provisions	Existing provisions	Notes
<p><u>of the Company to submit reports.</u></p> <p>2. <u>Dedicated personnel or unit is appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.</u></p> <p>3. <u>Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.</u></p> <p>4. <u>Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</u></p> <p>5. Confidentiality of the identity of whistle-blowers and the content of reported cases, <u>and an undertaking regarding anonymous reporting.</u></p> <p>6. <u>Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</u></p> <p>7. <u>Whistle-blowing incentive measures.</u></p> <p>When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or supervisors in written form.</p>		
<p>Article 25. Disciplinary and appeal system</p> <p>The Company shall adopt <u>and publish</u> a well-</p>	<p>Article 21. Whistle-blowing and discipline</p> <p>The Company shall adopt a well-defined</p>	<p>To adjust the Article No. and also the text.</p>

Amended provisions	Existing provisions	Notes
defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the Company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.	disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the Company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.	
Article 26. Information disclosure The Company <u>shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy</u> , and shall also disclose <u>the measures taken</u> for implementing ethical corporate management, <u>the status of implementation, the foregoing quantitative data, and the effectiveness of promotion</u> on the Company's website, annual reports, and prospectuses, <u>and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.</u>	Article 22. Information disclosure The Company shall disclose <u>the status of</u> implementation of its ethical corporate management best practice principles on the Company's website, annual reports, and prospectuses,	To adjust the Article No. and enhance the disclosure of the Company's ethical corporate management best practice principles.
Article 27. Review and amendment on ethical corporate management <u>policies and measures</u> The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and <u>encourage</u> its directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical corporate management <u>policies and measures taken</u> will be reviewed and improved with a view to achieving better <u>implementation</u> of ethical management.	Article 23. Review and amendment on ethical corporate management <u>best practice principles</u> The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and <u>please</u> its directors, supervisors, managers, and employees for the make suggestions, based on which the adopted ethical corporate management <u>best practice principles</u> will be reviewed and improved with a view to achieving better of ethical management.	To adjust the Article No. and also the text.
Article 28. Enforcement and amendments The ethical corporate management best	Article 24. Enforcement and amendments The ethical corporate management best	To adjust the Article No. and add the submission to Audit

Amended provisions	Existing provisions	Notes
<p>practice principles of the Company shall be implemented after the Board of Directors grants the approval, and shall be sent to the <u>Audit Committee</u> and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.</p> <p>When the Company submits its ethical corporate management best practice principles to the Board of Directors for discussion pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the Board of Directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the Board of Directors meeting.</p>	<p>practice principles of the Company shall be implemented after the Board of Directors grants the approval, and shall be reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.</p> <p><u>If the Company has appointed independent directors, when it submits the</u> ethical corporate management best practice principles to the Board of Directors for discussion pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the Board of Directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the Board of Directors meeting.</p>	<p>Committee for review.</p>

Luo Lih-Fen Holding Co., Ltd.

Comparative List of Amendments to Ethical Operating Procedures and Behavior Guideline

Amended provisions	Existing provisions	Notes
<p>Article 3. Definitions</p> <p>1.~3. Omitted</p> <p>4. Dedicated unit: The Company shall designate the <u>Secretariat of Board of Directors</u> as the dedicated unit, <u>and allocate sufficient resources and competent staff to it.</u> It shall be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The dedicated shall also submit regular reports to the Board of Directors.</p>	<p>Article 3. Definitions</p> <p>1.~3. Omitted</p> <p>4. Dedicated unit: The Company shall designate the <u>Internal Audit Office</u> as the dedicated unit. It shall be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The dedicated shall also submit regular reports to the Board of Directors.</p>	<p>To adjust the dedicated unit.</p>
<p>Article 8. Avoidance of conflict of interest</p> <p>1. Director</p> <p>The Company's directors shall practice high self-discipline. When a proposal at a given Board of Directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the Company, he/she may not participate in discussion of or voting on the proposal but shall recuse himself or herself from the discussion or the voting, or be prohibited from exercising voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.</p> <p><u>Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.</u></p>	<p>Article 8. Avoidance of conflict of interest</p> <p>1. Director</p> <p>The Company's directors shall practice high self-discipline. When a proposal at a given Board of Directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors and thereby is likely to prejudice the interest of the Company, the concerned person shall state his/her opinion and provide answers. Meanwhile, he/she may not participate in discussion of or voting on the proposal but shall recuse himself or herself from the discussion or the voting, or be prohibited from exercising voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.</p>	<p>Expressly define that where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the Board of Directors paragraph, such director shall be deemed to have a personal interest in the matter.</p>

Amended provisions	Existing provisions	Notes
2. Omitted	2. Omitted	
Article 9. <u>Prohibition of insider trading and confidentiality of business secrets</u> Omitted	Article 9. Non-disclosure of <u>confidential information and business secrets</u> Omitted	To amend the heading.
Article 10. Ethical trading counterpart 1. Announcement of ethical trading policy (1) The Company shall disclose its ethical management policy in its internal rules, annual reports, on the Company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its philosophy and rules with respect to ethical management. (2) Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterpart about the Company's ethical management policy and related rules, and shall clearly refuse it to provide, directly or indirectly, any improper benefit in whatever form or name. (3) <u>The Company shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</u> (4) <u>The Company shall compile documented information on the ethical management policy and its statement, fulfillment of commitments and implementation of related operations, and retain said information properly.</u> 2. Omitted	Article 10. Ethical trading counterpart 1. Announcement of ethical trading policy (1) The Company shall disclose its ethical management policy in its internal rules, annual reports, on the Company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its philosophy and rules with respect to ethical management. (2) Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterpart about the Company's ethical management policy and related rules, and shall clearly refuse it to provide, directly or indirectly, any improper benefit in whatever form or name. 2. Omitted	The Company shall compile documented information on the ethical management policy, statement, commitment and implementation and retain said information properly.

4. Comparative List of Amendments to the “Corporate Social Responsibility Best Practice Principles”

Luo Lih-Fen Holding Co., Ltd.

Comparative List of Amendments to the Corporate Social Responsibility Best Practice Principles

Amended provisions	Existing provisions	Notes
<p>Article 1</p> <p>In order to <u>practice</u> the corporate social responsibility initiatives and to promote economic, <u>environmental, and social advancement for purposes of sustainable development</u>, the Company hereby adopts these Principles to be followed by the Company, in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and related laws.</p>	<p>Article 1</p> <p>In order to <u>fulfill</u> the the corporate social responsibility initiatives and to promote the balanced and sustainable development of economy, society and environmental ecology, the Company hereby adopts these Principles to be followed by the Company, in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and related laws.</p>	<p>To adjust the contents in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”.</p>
<p>Article 2</p> <p>The Company <u>and its business group</u> shall actively fulfill their corporate social responsibility in the course of their business operations <u>so as to follow international development trends</u> and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.</p>	<p>Article 2</p> <p>The Company shall will actively fulfill its corporate social responsibility in the course of its business operations <u>so as to follow international trends for balanced development of environment, society and corporate governance</u> and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.</p>	<p>To adjust the contents in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”.</p>
<p>Article 3</p> <p>In fulfilling corporate social responsibility initiatives, the Company shall, in its corporate management <u>policies and business activities</u>, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.</p> <p><u>The Company shall conduct the risk assessment on the environment, society and corporate governance issues concerning the Company's operations in accordance with the materiality principle, and adopt related risk management policies or strategies.</u></p>	<p>Article 3</p> <p>In fulfilling corporate social responsibility initiatives, the Company shall, <u>based on the respect for the social ethics</u>, in its corporate management policies and business, give due consideration to the rights and interests of <u>other</u> stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.</p>	<p>To strengthen the disclosure of non-financial information in the annual reports, in line with the new Corporate Governance Roadmap (2018~2020).</p>

Amended provisions	Existing provisions	Notes
<p>Article 5</p> <p>The Company shall take into consideration the correlation between the development of domestic and international corporate social responsibility principles <u>and corporate core business operations</u>, and <u>the effect of the operation of the Company and of its business group as a whole on stakeholders</u>, in establishing their policies, systems or relevant management <u>policies, and concrete promotion plans</u> for corporate social responsibility programs.</p> <p><u>When a shareholder proposes a motion involving corporate social responsibility, the Company's Board of Directors is advised to review and consider including it in the shareholders meeting agenda.</u></p>	<p>Article 5</p> <p>The Company shall <u>comply with laws and the Articles of Incorporation</u>, and take into consideration the development of domestic and international corporate social responsibility principles, and the entire operating activities of the Company and its business group, in a timely establishing their corporate social responsibility policies or systems, or relevant management <u>system promotion</u>.</p>	<p>To adjust the contents in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”.</p>
Chapter II. Implementation of Corporate Governance	Chapter II Implementation of Corporate Governance <u>Promotion</u>	
<p>Article 6</p> <p>Paragraph 1. Omitted.</p> <p>The Company's Board of Directors is advised to give full consideration to the interests of stakeholders, including the following matters, in the Company's performance of its corporate social responsibility initiatives:</p> <ol style="list-style-type: none"> Identifying the Company's corporate social responsibility mission or vision, and establishing its corporate social responsibility policy, systems or relevant management guidelines; Making corporate social responsibility the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives; and Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information. <p><u>The Company, on a regular basis, organizes education and training on the implementation of corporate social responsibility initiatives to promote the matters referred to in the preceding paragraph.</u></p> <p>Paragraph 4. Omitted.</p>	<p>Article 6</p> <p>Paragraph 1. Omitted.</p> <p>The Company's Board of Directors is advised to give full consideration to the interests of stakeholders, including the following matters, in the Company's performance of its corporate social responsibility initiatives:</p> <ol style="list-style-type: none"> Identifying the Company's corporate social responsibility mission or vision, and establishing its corporate social responsibility policy, systems or relevant management guidelines; Making corporate social responsibility the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives; and Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information. <p>Paragraph 4. Omitted.</p>	<p>The Company's Board of Directors is advised to give full consideration to the interests of stakeholders in the Company's performance of its corporate social responsibility initiatives, in order to practice the same in the corporate social responsibility-related policies, systems or management guidelines.</p>

Amended provisions	Existing provisions	Notes
<p>Article 7</p> <p>For the purpose of managing corporate social responsibility initiatives, if necessary, the Company is advised to establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies, systems, <u>or relevant management guidelines, and concrete promotional plans</u> and to report on the same to the Board of Directors on a periodic basis.</p> <p><u>The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.</u></p>	<p>Article 7</p> <p>For the purpose of managing corporate social responsibility initiatives, if necessary, the Company is advised to will establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies <u>or</u> systems and to report on the same to the Board of Directors on a periodic basis.</p>	<p>To adjust the contents in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”.</p>
<p>Article 8</p> <p>The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, <u>and establish a designated section for stakeholders on the Company’s website</u>; understand the reasonable expectations and demands of <u>stakeholders</u> through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.</p>	<p>Article 8</p> <p>The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and understand the reasonable expectations and the stakeholders’ demands through proper communication with them and <u>participation by them</u>, and adequately respond to the important corporate social responsibility issues which they are concerned about.</p>	<p>To adjust the contents in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”.</p>
<p>Article 9 Deleted</p>	<p><u>Article 9</u></p> <p><u>The Company shall establish effective corporate governance frameworks and relevant ethical standards and requirements in a timely manner, so as to enhance the corporate governance.</u></p>	<p>To adjust the contents in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”.</p>
<p>Article 10 Deleted</p>	<p><u>Article 10</u></p> <p><u>The Company shall comply with related laws and regulations when engaging in operating activities, and shall practice the following to create a fair competition environment:</u></p> <ol style="list-style-type: none"> <u>Avoid engaging in any activities against fair competition.</u> <u>Perform the obligation to pay tax strictly.</u> <u>Anti-bribery and anti-corruption, and establish adequate management systems.</u> 	<p>To adjust the contents in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”.</p>

Amended provisions	Existing provisions	Notes
	4. <u>Corporation donations comply with the internal operating procedures.</u>	
Article 11 Deleted	<u>Article 11</u> The Company is advised to, on a regular basis, <u>organize education and training on the corporate ethics for directors, supervisors and employees, and to promote the matters referred to in the preceding paragraph.</u> Meanwhile, the Company shall apply the same when creating its employee <u>performance appraisal system to establish a clear and effective reward and discipline system.</u>	To adjust the contents in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”.
Article 9 The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to <u>achieve</u> a sustainable environment when engaging in <u>operating activities</u> and <u>internal management</u> .	Article 12 The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in <u>business activities</u> .	Articles 9~11 are deleted, and replaced by the subsequent articles in the sequential order.
Article 10 Omitted	Article 13 Omitted	To adjust the Article No.
Article 11 The Company will establish proper environment management systems based on the characteristics of its industry. Such systems shall include the following tasks: 1. Omitted. 2. Establishing measurable goals for <u>environmental sustainability</u> , and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis. 3. <u>Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation</u> on a regular basis.	Article 14 The Company will establish proper environment management systems based on the characteristics of its industry. Such systems shall include the following tasks: 1. Omitted. 2. Establishing measurable goals for, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis. 3. Examining the <u>status of the purpose or goal for environmental sustainability</u> on a regular basis.	To adjust the contents in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”.
Article 12 <u>If necessary</u> , the Company will establish a dedicated unit or assign dedicated personnel for <u>drafting, promoting, and maintaining relevant environment management systems and concrete action plans</u> , and should hold environment education courses for its	Article 15 The Company will establish a dedicated unit or assign dedicated personnel for maintaining the environment management-related <u>systems and the corporate social responsibility best practice principles</u> , and should hold environment education courses	To adjust the contents in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”.

Amended provisions	Existing provisions	Notes
management and employees on a regular basis.	for its management and employees on a regular basis.	
<p>Article <u>13</u></p> <p>The Company will take into account the effect of <u>operations</u> on ecological efficiency, promote and <u>advocate</u> the concept of sustainable consumption, and conduct research and development, <u>procurement</u>, production, <u>operations</u>, and services in accordance with the following principles to reduce the impact on the natural environment and <u>human beings</u> from their operations:</p> <p>1~6. Omitted</p>	<p>Article <u>16</u></p> <p>The Company will take into account the effect on ecological efficiency, promote <u>and educate consumers</u> the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their operations:</p> <p>1~6. Omitted</p>	To adjust the contents in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies".
<p>Article <u>14</u></p> <p>To improve water use efficiency, <u>the Company</u> shall properly and sustainably use water resources <u>and</u> establish relevant management measures.</p> <p><u>The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use its best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.</u></p>	<p>Article <u>17</u></p> <p>To improve water use efficiency and properly and sustainably use water resources, <u>if necessary, the Company</u> will establish relevant management measures in its operations to avoid polluting water, air and land. If the pollution is inevitable, insofar as it is considered feasible after taking into account the cost-effect, technology and finance, the Company shall use its best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.</p>	To adjust the contents in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies".
<p>Article <u>15</u></p> <p>The Company is <u>advised to assess the risk and opportunity to be posed by the climate change to the Company, now and future, and adopt responsive measures against climate-related issues.</u></p> <p><u>The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:</u></p> <ol style="list-style-type: none"> <u>Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company.</u> <u>Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.</u> <p><u>The Company is advised to gather statistics about emissions of greenhouse gas, water</u></p>	<p>Article <u>18</u></p> <p>The Company <u>will monitor the impact of climate change on its operating activities</u> and should establish company strategies for <u>the Company's</u> energy conservation and carbon and greenhouse gas reduction based upon their operations and the result of a greenhouse gas inventory. Such strategies should include obtaining carbon credits to promote and minimize the impact of the Company's operations on <u>environment</u>.</p>	To strengthen the disclosure of non-financial information in the annual reports, in line with the new Corporate Governance Roadmap (2018~2020).

Amended provisions	Existing provisions	Notes
consumption and gross weight of waste, and establish the policies for energy conservation and carbon reduction, greenhouse gas reduction, reduction of water consumption or other waste management. Such strategies should include obtaining carbon credits to promote and minimize the impact of the Company's operations on climate change.		
<p>Article 16</p> <p>The Company shall comply with relevant labor laws and regulations, <u>and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.</u></p> <p>The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:</p> <ol style="list-style-type: none"> 1. <u>Presenting a corporate policy or statement on human rights.</u> 2. <u>Evaluating the impact of the Company's operating activities and internal management on human rights, and adopting corresponding handling processes.</u> 3. <u>Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.</u> 4. <u>In the event of any infringement of human rights, the Company shall disclose the processes for handling of the matter with respect to the stakeholders involved.</u> <p>The Company shall comply with the internationally recognized human rights of labor, <u>including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure</u> that its human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, <u>so as to achieve equality and fairness in employment, hiring</u></p>	<p>Article 19</p> <p>The Company shall comply with the relevant labor laws and regulations, protect employees' interest and right, and respect internationally recognized human rights of labor, and also be prohibited from compromising labors' basic rights. The Company's human resource policy shall respect <u>the principles protection labors' basic human rights and establish adequate management methods and procedures.</u> The Company will implement the employment policy which would not discriminate based gender, race, age, marital and family status, et al..</p>	<p>To adjust the contents in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies".</p>

Amended provisions	Existing provisions	Notes
<p><u>conditions, remuneration, benefits, training, performance evaluation, and promotion opportunities.</u></p> <p>The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The Company shall respond to any employee's grievance in an appropriate manner.</p>		
Article <u>17</u> Omitted.	Article <u>20</u> Omitted	To adjust the Article No.
<p>Article <u>18</u></p> <p>The Company is advised to provide safe and healthful work environments for its employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents. The Company is advised to organize training on safety and health for its employees on a regular basis.</p>	<p>Article <u>21</u></p> <p>The Company is advised to provide safe and healthful work environments for its employees, including necessary health and first-aid facilities <u>and establishment of the corporate social responsibility best practice principles</u>, and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents. The Company is advised to organize training on safety and health for its employees on a regular basis.</p>	To adjust the contents in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies".
<p>Article <u>19</u></p> <p>The Company is advised to create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills. <u>The Company shall adopt and implement reasonable employee benefit measures (including remuneration, vacation and other benefits, etc.)</u> and shall appropriately reflect the business performance or achievements in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.</p>	<p>Article <u>22</u></p> <p>The Company is advised to create a fair environment conducive to the development of its employees' careers and establish effective training programs to foster career skills and shall appropriately reflect the corporate business performance or achievements in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.</p>	To strengthen the disclosure of non-financial information in the annual reports, in line with the new Corporate Governance Roadmap (2018~2020).
Article <u>20</u> Omitted	Article <u>23</u> Omitted	To adjust the Article No.
Article <u>21</u> Omitted	Article <u>24</u> Omitted	To adjust the Article No.
<p>Article <u>22</u></p> <p>The Company shall take responsibility for</p>	<p>Article <u>25</u></p> <p>The Company shall insist in taking</p>	To adjust the contents in accordance with the

Amended provisions	Existing provisions	Notes
their products <u>and</u> services, and <u>take marketing ethics seriously</u> . In the process of research and development, procurement, production, operations, and services, the Company shall ensure the transparency and safety of its products and services. It further shall establish and disclose policies on consumers' interests and rights, and enforce them in the course of operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.	responsibility for its products, establishing and disclosing its policy for consumers' interest and right, and implementing the same policy.	"Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies".
Article <u>23</u> The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its industries. The Company shall follow relevant laws, regulations and international guidelines with respect to the customer health and safety, customer privacy, marketing and labeling of its products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' interest or right.	Article <u>26</u> The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its industries. The Company shall follow the government laws, regulations and related international guidelines when engaging in marketing and advertisement of its products or services or shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' interest or right.	To strengthen the disclosure of non-financial information in the annual reports, in line with the new Corporate Governance Roadmap (2018~2020).
Article <u>24</u> <u>The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.</u> The Company provides a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.	Article <u>27</u> The clear and effective procedure for accepting consumer complaints provided with respect to the Company's products and services shall fairly and timely handle consumers' complaints, comply with laws and regulations for respecting consumers' rights of privacy and protect personal data provided by consumers.	To adjust the contents in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies".
Article <u>25</u> The Company is advised to assess the impact its procurement renders on society as well as the environment of the community that it is procuring from, and shall cooperate with its suppliers to jointly implement the corporate social responsibility initiative.	Article <u>28</u> The Company is advised to assess the impact its procurement renders on society as well as the environment of the community that it is procuring from, and shall cooperate with its suppliers to jointly <u>upgrade</u> the corporate social responsibility initiative.	To strengthen the disclosure of non-financial information in the annual reports, in line with the new Corporate Governance Roadmap (2018~2020).

Amended provisions	Existing provisions	Notes
<p>The Company is advised to adopt the suppliers' management policy, demanding that the suppliers should comply with the related laws and regulations governing environmental protection, occupational safety and health or labors' human rights. Prior to engaging in commercial dealings, the Company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.</p> <p>When the Company enters into a contract with any of its major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.</p>		
Article <u>26</u> Omitted.	Article <u>29</u> Omitted	To adjust the Article No.
<p>Article <u>27</u></p> <p>The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles and shall fully disclose relevant and reliable information relating to their corporate social responsibility initiatives to improve information transparency.</p> <p><u>Relevant information relating to corporate social responsibility which the Company shall disclose includes:</u></p> <ol style="list-style-type: none"> <u>1. The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the Board of Directors.</u> <u>2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.</u> <u>3. Goals and measures for realizing the</u> 	<p>Article <u>30</u></p> <p>The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles and shall fully disclose relevant and reliable information relating to their corporate social responsibility initiatives to improve information transparency.</p>	To adjust the contents in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies".

Amended provisions	Existing provisions	Notes
<u>corporate social responsibility initiatives established by the Company, and performance in implementation.</u> 4. <u>Major stakeholders and their concerns.</u> 5. <u>Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.</u> 6. <u>Other information relating to corporate social responsibility initiatives.</u>		
Article <u>28</u> Omitted.	Article <u>31</u> Omitted.	To adjust the Article No.
Article <u>29</u> Omitted	Article <u>32</u> Omitted	To adjust the Article No.
Article <u>30</u> The Principles shall be reported at a shareholders' meeting after the Board of Directors grants the approval. The same procedure shall be followed when the Principles have been amended.	Article <u>33</u> The Principles shall be <u>implemented</u> after the Board of Directors grants the approval. The same procedure shall be followed when the Principles have been amended.	To report the Principles at a shareholders' meeting in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies".

5. Comparative List of Amendments to the “Parliamentary Rules for Board of Directors Meeting”

Luo Lih-Fen Holding Co., Ltd.

Comparative List of Amendments to the Parliamentary Rules for Board of Directors Meeting

Amended provisions	Existing provisions	Notes
<p>Article 7. Chair and acting chair of a Board meeting</p> <p>1. If the Board meeting is convened by the Chairman of Board, the meeting shall be chaired by the Chairman of Board. Notwithstanding, with respect to the first meeting of each newly elected board of directors, it shall be convened and chaired by the director that receives votes representing the largest portion of voting rights at the shareholders meeting in which the directors are elected. If two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as the chair.</p> <p>2. <u>According to Paragraph 4 of Article 203 or Paragraph 3 of Article 203-1 of the Company Act, if the Board meeting is convened by a majority of the whole directors, they shall select from among themselves one director to serve as the chair.</u></p> <p>3. When the Chairman of Board is on leave or for any reason unable to exercise the powers of the chairman, the Chairman shall appoint one of the directors to act on behalf of him. If no such designation is made by the Chairman, the directors shall select one person from among themselves to serve as the chair.</p>	<p>Article 7. Chair and acting chair of a Board meeting</p> <p>1. <u>Board meetings shall be convened and chaired by the Chairman of Board.</u> Notwithstanding, with respect to the first meeting of each newly elected board of directors, it shall be convened and chaired by the director that receives votes representing the largest portion of voting rights at the shareholders meeting in which the directors are elected. If two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as the chair.</p> <p>2. When the Chairman of Board is on leave or for any reason unable to exercise the powers of the chairman, the Chairman shall appoint one of the directors to act on behalf of him. If no such designation is made by the Chairman, the directors shall select one person from among themselves to serve as the chair.</p>	<p>To add Paragraph 2 in response to the amendments to the Company Act and re-state the original Paragraph 2 as Paragraph 3.</p>
<p>Article 15. Avoidance of conflict of interest by directors</p> <p>1. Omitted</p> <p>2. <u>Paragraph 4</u> of Article 206 of the Company Act whereunder Paragraph 2 of Article 180 of the same Act shall apply <i>mutatis mutandis</i> shall apply to the directors who are not allowed to exercise voting rights against the resolution made by the Company's Board meeting pursuant to the requirements referred to in the preceding paragraph.</p>	<p>Article 15. Avoidance of conflict of interest by directors</p> <p>1. Omitted</p> <p>2. <u>Paragraph 3</u> of Article 206 of the Company Act whereunder Paragraph 2 of Article 180 of the same Act shall apply <i>mutatis mutandis</i> shall apply to the directors who are not allowed to exercise voting rights against the resolution made by the Company's Board meeting pursuant to the requirements referred to 3 the preceding paragraph.</p>	<p>To adjust Article No. in response to the amendments to the Company Act.</p>

6. 2019 Independent Auditor's Report and Financial Statements



For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

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, 2019 and 2018, 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, 2019 and 2018, 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 audit of the consolidated financial statements as of and for the year ended December 31, 2019 in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants", "Rule No. 10903600805 issued by the Financial Supervisory Commission on February 25, 2020" and generally accepted auditing standards in the Republic of China (ROC GAAS), and 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) for our audit of the consolidated financial statements as of and for the year ended December 31, 2018. 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 matter for the Group's consolidated financial statements of the current period is 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, refer to Notes 4(27) and 6(17).

The Group's revenue is derived from the sales of goods and the rendering of skin-care consulting services, of which 95% of total sales arise from the sales of goods. Given that revenue is the Group's main operating activity and has significant risk, the Group's goods are sold by distributors, and a significant amount of resources is required in performing the audit through the testing of occurrence of sales transactions, 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.

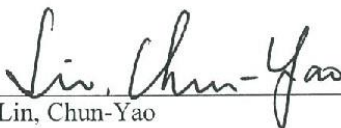


6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely 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 9, 2020

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, 2019		December 31, 2018			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	843,142	38	\$	1,782,992	84
1110	Current financial assets at fair value through profit or loss	6(2)		391,079	18		-	-
1136	Current financial assets at amortised cost	6(3)		299,800	14		2,900	-
1170	Accounts receivable, net	6(4)		10,696	1		1,530	-
1180	Accounts receivable - related parties	7		1,697	-		-	-
1199	Finance lease receivable due from related parties, net	6(9)		959	-		-	-
1200	Other receivables			8,580	-		4,909	-
130X	Inventories	6(5)		77,728	4		53,724	3
1410	Prepayments			39,742	2		22,178	1
1479	Other current assets, others			7,603	-		18,440	1
11XX	Current Assets			1,681,026	77		1,886,673	89
Non-current assets								
1535	Non-current financial assets at amortised cost	6(3)		193,725	9		-	-
1550	Investments accounted for using equity method	6(6)		8,028	-		-	-
1600	Property, plant and equipment	6(7) and 7		214,906	10		197,647	9
1755	Right-of-use assets	6(8)		26,348	1		-	-
1780	Intangible assets	6(10)		9,449	-		1,603	-
1840	Deferred income tax assets	6(23)		14,389	1		9,211	1
194K	Long-term finance lease receivable due from related parties, net	6(9)		3,919	-		-	-
1990	Other non-current assets, others	6(8), 8 and 11		43,689	2		25,972	1
15XX	Non-current assets			514,453	23		234,433	11
1XXX	Total assets		\$	2,195,479	100	\$	2,121,106	100

(Continued)

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

Liabilities and Equity		Notes	December 31, 2019		December 31, 2018	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2130	Current contract liabilities	6(11) and 7	\$ 73,189	3	\$ 161,061	8
2170	Accounts payable		23,298	1	44,498	2
2180	Accounts payable - related parties	7	6,725	-	-	-
2219	Other payables, others	6(12)	186,903	9	132,400	6
2230	Current income tax liabilities		20,411	1	58,562	3
2280	Current lease liabilities	7	3,814	-	-	-
2399	Other current liabilities, others		21,922	1	19,706	1
21XX	Current Liabilities		336,262	15	416,227	20
Non-current liabilities						
2570	Deferred income tax liabilities	6(23)	4,604	-	7,441	-
2580	Non-current lease liabilities	7	6,063	1	-	-
2670	Other non-current liabilities, others		450	-	35	-
25XX	Non-current liabilities		11,117	1	7,476	-
2XXX	Total Liabilities		347,379	16	423,703	20
Equity						
Equity attributable to owners of parent						
Share capital		6(14)				
3110	Share capital - common stock		473,880	21	430,800	20
Capital surplus		6(15)				
3200	Capital surplus		829,495	38	829,495	39
Retained earnings		6(16)				
3310	Legal reserve		43,125	2	-	-
3320	Special reserve		2,064	-	-	-
3350	Unappropriated retained earnings		547,083	25	439,172	21
Other equity interest						
3400	Other equity interest		(47,547)	(2)	(2,064)	-
3XXX	Total equity		1,848,100	84	1,697,403	80
Significant contingent liabilities and unrecognized contract commitments		9				
Significant events after balance sheet date		11				
3X2X	Total liabilities and equity		\$ 2,195,479	100	\$ 2,121,106	100

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

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

		Year ended December 31			
		2019		2018	
Items	Notes	AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(17) and 7	\$ 1,445,695	100	\$ 1,358,184	100
5000 Operating costs	6(5)(21)(22) and 7	(465,906)	(32)	(447,660)	(33)
5900 Net operating margin		979,789	68	910,524	67
Operating expenses	6(21)(22) and 7				
6100 Selling expenses		(232,657)	(16)	(158,008)	(12)
6200 General and administrative expenses		(152,623)	(11)	(140,206)	(10)
6300 Research and development expenses		(67,273)	(5)	(40,144)	(3)
6000 Total operating expenses		(452,553)	(32)	(338,358)	(25)
6900 Operating profit		527,236	36	572,166	42
Non-operating income and expenses					
7010 Other income	6(18) and 7	49,440	3	13,296	1
7020 Other gains and losses	6(19)	(7,527)	-	(2,022)	-
7050 Finance costs	6(20) and 7	(99)	-	-	-
7060 Share of profit of associates and joint ventures accounted for using equity method	6(6)	290	-	-	-
7000 Total non-operating income and expenses		42,104	3	11,274	1
7900 Profit before income tax		569,340	39	583,440	43
7950 Income tax expense	6(23)	(71,600)	(5)	(152,193)	(11)
8200 Profit for the year		\$ 497,740	34	\$ 431,247	32
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		(\$ 45,391)	(3)	(\$ 2,148)	-
8370 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		(92)	-	-	-
8500 Total comprehensive income for the year		\$ 452,257	31	\$ 429,099	32
Basic earnings per share (in dollars)	6(24)				
9750 Basic earnings per share		\$ 10.50		\$ 10.08	
Diluted earnings per share (in dollars)	6(24)				
9850 Diluted earnings per share		\$ 10.50		\$ 10.08	

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

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

Notes	Equity attributable to owners of the parent						
	Share capital - common stock	Capital surplus, additional paid-in capital	Retained Earnings			Financial statements translation differences of foreign operations	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings		
For the year ended December 31, 2018							
Balance at January 1, 2018	\$ 330,000	\$ 379,160	\$ -	\$ -	\$ 205,925	\$ 84	\$ 915,169
Profit for 2018	-	-	-	-	431,247	-	431,247
Other comprehensive loss for 2018	-	-	-	-	-	(2,148)	(2,148)
Total comprehensive income (loss)	-	-	-	-	431,247	(2,148)	429,099
Appropriation of 2017 earnings: 6(16)							
Cash dividends	-	-	-	-	(145,200)	-	(145,200)
Stock dividends	52,800	-	-	-	(52,800)	-	-
Issuance of common stock	48,000	450,335	-	-	-	-	498,335
Balance at December 31, 2018	\$ 430,800	\$ 829,495	\$ -	\$ -	\$ 439,172	\$ 2,064	\$ 1,697,403
For the year ended December 31, 2019							
Balance at January 1, 2019	\$ 430,800	\$ 829,495	\$ -	\$ -	\$ 439,172	\$ 2,064	\$ 1,697,403
Profit for 2019	-	-	-	-	497,740	-	497,740
Other comprehensive loss for 2019	-	-	-	-	-	(45,483)	(45,483)
Total comprehensive income (loss)	-	-	-	-	497,740	(45,483)	452,257
Appropriation of 2018 earnings: 6(16)							
Legal reserve	-	-	43,125	-	(43,125)	-	-
Special reserve	-	-	-	2,064	(2,064)	-	-
Cash dividends	-	-	-	-	(301,560)	-	(301,560)
Stock dividends	43,080	-	-	-	(43,080)	-	-
Balance at December 31, 2019	\$ 473,880	\$ 829,495	\$ 43,125	\$ 2,064	\$ 547,083	\$ 47,547	\$ 1,848,100

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	2019	2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 569,340	\$ 583,440
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets at fair value through profit or loss	(	8,081)	-
Depreciation expense	6(7)(21)	31,392	19,707
Depreciation expense on right-of-use assets	6(8)(21)	2,569	-
Amortization expense	6(10)(21)	1,366	532
Long-term prepaid rents recognised as expenses		-	680
Interest income	6(18)	36,314)	(11,739)
Interest expense on lease liabilities	6(8)(20)	99	-
Share of profit of associates and joint ventures accounted for using equity method	6(6)	(290)	-
Loss on disposal of property, plant and equipment	6(19)	11,127	491
Gain on lease modifications	6(8)	(25)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss	(	397,217)	-
Accounts receivable, net	(	9,166)	(1,103)
Accounts receivable - related parties	(	1,697)	-
Other receivables		3,172	1,464
Inventories	(	24,004)	(2,682)
Prepayments	(	17,564)	(1,877)
Other current assets, others		10,837	(14,802)
Other non-current assets	(	1,455)	(1,807)
Changes in operating liabilities			
Current contract liabilities	(	85,034)	36,540
Accounts payable	(	21,200)	16,020
Accounts payable - related parties		6,725	-
Other payables		68,430	21,070
Other current liabilities, others		2,216	1,035
Other non-current liabilities, others		415	35
Cash inflow generated from operations		105,641	647,004
Interest received		29,090	7,643
Income tax paid	(	117,234)	(148,687)
Net cash flows from operating activities		17,497	505,960
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in current financial assets at amortised cost	(	296,900)	(2,900)
Increase in non-current financial assets at amortised cost	(	193,725)	-
Acquisition of investments accounted for using equity method	(	7,830)	-
Acquisition of property, plant and equipment	6(25)	(73,041)	(64,784)
Proceeds from disposal of property, plant and equipment		292	-
Acquisition of intangible assets	6(25)	(8,718)	(393)
Net cash flows used in investing activities		(579,922)	(68,077)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Other non-current assets	(	38,940)	-
Return of principal of lease liabilities	(	2,244)	-
Proceeds from issuance of common stock	6(14)	-	498,335
Cash dividends paid	6(16)	(301,560)	(145,200)
Net cash flows (used in) from financing activities		(342,744)	353,135
Effect of exchange rate changes on cash and cash equivalents		(34,681)	(3,953)
Net (decrease) increase in cash and cash equivalents		(939,850)	787,065
Cash and cash equivalents at beginning of year		1,782,992	995,927
Cash and cash equivalents at end of year		\$ 843,142	\$ 1,782,992

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

7. 2019 Statement for Distribution of Earnings

Unit: NTD

Summary	Amount Total
Distributable Surplus:	
Undistributed Surplus at the Beginning of the Period	\$ 49,344,035
Plus: Current Year Net Income	497,740,176
Less: Provision for Statutory Reserve	(49,774,018)
Less: Provision for Special Reserve (Note)	(45,483,000)
Total Distributable Surplus:	451,827,193
Distributions:	
Distribute Cash Dividends (NT\$7.0 per Share)	(331,716,000)
Retained Earnings After Distribution	\$ 120,111,193

Note: According to the Letter No. Financial-Supervisory-Securities-Corporate-1010012865, the Company provided the other net deductions from shareholders' equity, net as the special reserve.

Chairman:
Li-Fen Luo



General Manager:
Huan-Wen Jao



Chief Accountant:
Xiu-Qiong Zhang



8. Comparative List of Amendments to the “Articles of Incorporation”

LUO LIH-FEN HOLDING CO., LTD.
羅麗芬控股股份有限公司
Comparison Table for ARTICLES OF ASSOCIATION
章程修正對照表

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
第 2 條	<p>(1) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires:</p> <p>(1) 除另有規範者外，本章程之用辭定義如下：</p> <p>Applicable Listing Rules the relevant laws, regulations, rules and codes as amended, from time to time, applicable as a result of the original and continued trading or listing of any shares on any Taiwan stock exchange or securities market, including, without limitation the relevant provisions of the Securities and Exchange Act of the R.O.C., the Company Act of the R.O.C.,</p>	<p>(1) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires:</p> <p>(1) 除另有規範者外，本章程之用辭定義如下：</p> <p>Applicable Listing Rules the relevant laws, regulations, rules and codes as amended, from time to time, applicable as a result of the original and continued trading or listing of any shares on any Taiwan stock exchange or securities market, including, without limitation the relevant provisions of the Securities and Exchange Act of the R.O.C., the Company Act of the R.O.C.,</p>	<p>In response to the amendments to the "Foreign Issuer's Checklist for the Protection of Shareholders' Rights in the Country of Registration" promulgated by the Taiwan Stock</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p>the Act Governing Relations Between Peoples of the Taiwan Area and the Mainland Area, and any similar laws, statutes and the rules and regulations of the R.O.C. authorities thereunder, and the rules and regulations promulgated by the Financial Supervisory Commission, the TPEX and the TWSE (where applicable);</p> <p>上市（櫃）規範 因股票在中華民國任何股票交易所或證券市場交易或掛牌而應適用之相關法律、條例、規則及準則暨其修訂版本，包括但不限於中華民國證券交易法、公司法、臺灣地區與大陸地區人民關係條例與其他類似法律、由中華民國主管機關依法制定之規章、規則及條例，以及金管會、櫃買中心與證交所頒布之規範（如適用）；</p>	<p><u>the Business Mergers And Acquisitions Act of the R.O.C.,</u> the Act Governing Relations Between Peoples of the Taiwan Area and the Mainland Area, and any similar laws, statutes and the rules and regulations of the R.O.C. authorities thereunder, and the rules and regulations promulgated by the Financial Supervisory Commission, the TPEX and the TWSE (where applicable);</p> <p>上市（櫃）規範 因股票在中華民國任何股票交易所或證券市場交易或掛牌而應適用之相關法律、條例、規則及準則暨其修訂版本，包括但不限於中華民國證券交易法、公司法、<u>企業併購法</u>、臺灣地區與大陸地區人民關係條例與其他類似法律、由中華民國主管機關依法制定之規章、規則及條例，以及金管會、櫃買中心與證交所頒布之規範（如適用）；</p>	<p>Exchange Corporation (TWSE) via its announcement under Taiwan-Securities-Listed-2-Zi No. 1080023568 on December 25, 2019 (hereinafter referred to the “Foreign Issuer's Checklist for Protection of Shareholders’ Rights” dated December 25, 2019) which expressly included the</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p>Law</p> <p>the Companies Law of the Cayman Islands and any amendment or other statutory modification thereof and every other act, order, regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum and/or these Articles, and where in these Articles any provision of the Law is referred to, the reference is to that provision as modified by any law for the time being in force;</p> <p>開曼法令</p> <p>現行有效且適用於本公司之英屬開曼群島公司法暨其修訂或其他變更，與其他適用或影響於本公司、組織備忘錄及/或本章程法律、命令、法令或其他在英屬開曼群島具有法效性之文書（暨其修訂）；當本章程援引開曼法令</p>	<p>Law</p> <p>the Companies Law <u>(As Revised)</u> of the Cayman Islands and any amendment or other statutory modification thereof and every other act, order, regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum and/or these Articles, and where in these Articles any provision of the Law is referred to, the reference is to that provision as modified by any law for the time being in force;</p> <p>開曼法令</p> <p>現行有效且適用於本公司之英屬開曼群島公司法<u>(修訂)</u>暨其修訂或其他變更，與其他適用或影響於本公司、組織備忘錄及/或本章程法律、命令、法令或其他在英屬開曼群島具有法效性之文書（暨其修訂）；當本章程援引開曼</p>	<p>relevant requirements under the Business Mergers and Acquisitions Act, the Company amended the scope of the “Applicable Listing Rules” in Article 2. Meanwhile, in response to the Letter of Ministry of Economic Affairs under Economy-Business-Zi No.</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p>之任何條文時，應為法律所修訂之現行條文；</p> <p>Ordinary Resolution</p> <p>a resolution:-</p> <p>(a) passed by a simple majority of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Members being Juristic Persons, by their respective duly authorised representatives or, where proxies are allowed, by proxy, present at a general meeting of the Company held in accordance with these Articles; and</p> <p>(b) at any time other than during the Relevant Period, approved in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being Juristic Persons by their</p>	<p>法令之任何條文時，應為法律所修訂之現行條文；</p> <p>Ordinary Resolution</p> <p>a resolution:-</p> <p>(a) passed by a simple majority of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Members being Juristic Persons, by their respective duly authorised representatives or, where proxies are allowed, by proxy, present at a general meeting of the Company held in accordance with these Articles;</p> <p>(b) at any time other than during the Relevant Period, approved in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being Juristic Persons by their</p>	<p>10802432410, the Company amended the definitions for “Statutory Reserve”, and also adjusted the definitions for the other terms for avoidance of doubt.</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p>duly authorized representatives); <u>and</u></p> <p>(c) where the Company has only one Member, approved in writing by such Member signed by such Member and the effective date of the resolution so adopted shall be the date on which the instrument is executed;</p> <p>普通決議</p> <p>指下列決議：</p> <p>(a)於依本章程召集之股東會，由股東親自出席，如為法人股東則由其合法授權代表出席，或以委託書方式出席之股東表決權過半數通過者；</p> <p>(b)於非掛牌期間，由當時有權出席股東會並行使表決權之股東（如為法人股東則為其合法授權代表）全體以書面（乙份或數份副本）經簽認通過者；<u>與</u></p>	<p>duly authorized representatives); <u>or</u></p> <p>(c) where the Company has only one Member, approved in writing by such Member signed by such Member and the effective date of the resolution so adopted shall be the date on which the instrument is executed;</p> <p>普通決議</p> <p>指下列決議：</p> <p>(a)於依本章程召集之股東會，由股東親自出席，如為法人股東則由其合法授權代表出席，或以委託書方式出席之股東表決權過半數通過者；</p> <p>(b)於非掛牌期間，由當時有權出席股東會並行使表決權之股東（如為法人股東則為其合法授權代表）全體以書面（乙份或數份副本）經簽認通過者；<u>或</u></p>	

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p>(c)當本公司僅有一名股東時，由該股東以書面經簽認通過者；該決議有效日應以簽認之日為準；</p> <p>Special Resolution</p> <p>a special resolution of the Company passed in accordance with the Law, being a resolution:</p> <p>(a) passed by a majority of at least two-thirds of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Members being Juristic Persons, by their respective duly authorised representatives or, where proxies are allowed, by proxy, present at a general meeting of the Company held in accordance with these Articles, of which notice, specifying (without prejudice to the power contained in these Articles to amend the same) the intention to propose the resolution as</p>	<p>(c)當本公司僅有一名股東時，由該股東以書面經簽認通過者；該決議有效日應以簽認之日為準；</p> <p>Special Resolution</p> <p>a special resolution of the Company passed in accordance with the Law, being a resolution:</p> <p>(a) passed by a majority of at least two-thirds of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Members being Juristic Persons, by their respective duly authorised representatives or, where proxies are allowed, by proxy, present at a general meeting of the Company held in accordance with these Articles, of which notice, specifying (without prejudice to the power contained in these Articles to amend the same) the intention to propose the resolution as</p>	

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	<p>a Special Resolution, has been duly given; <u>and</u></p> <p>(b) at any time other than during the Relevant Period, approved in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being Juristic Persons by their duly authorized representatives); <u>and</u></p> <p>(c) where the Company has only one Member, approved in writing by such Member signed by such Member and the effective date of the special resolution so adopted shall be the date on which the instrument is executed.</p> <p>A Special Resolution shall be effective for any purpose for which an Ordinary</p>	<p>a Special Resolution, has been duly given;</p> <p>(b) at any time other than during the Relevant Period, approved in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being Juristic Persons by their duly authorized representatives); <u>or</u></p> <p>(c) where the Company has only one Member, approved in writing by such Member signed by such Member and the effective date of the special resolution so adopted shall be the date on which the instrument is executed.</p> <p>A Special Resolution shall be effective for any purpose for which an Ordinary</p>	

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	<p>特別決議</p> <p>Resolution is expressed to be required under any provision of these Articles;</p> <p>指本公司依據開曼法令通過之下列特別決議：</p> <p>(a)於依本章程召集之股東會，由股東親自出席，如為法人股東則由其合法授權代表出席，或以委託書方式出席之股東表決權三分之二以上通過，且記載擬以特別決議通過有關議案事項之召集通知已合法送達者；</p> <p>(b)於非掛牌期間，由當時有權出席股東會並行使表決權之股東（如為法人股東則為其合法授權代表）全體以書面（乙份或數份副本）經簽認通過者；<u>與</u></p> <p>(c)當本公司僅有一名股東時，由該股東以書面經簽認通過者；該決議有效日應以簽認之日為準。</p>	<p>特別決議</p> <p>Resolution is expressed to be required under any provision of these Articles;</p> <p>指本公司依據開曼法令通過之下列特別決議：</p> <p>(a)於依本章程召集之股東會，由股東親自出席，如為法人股東則由其合法授權代表出席，或以委託書方式出席之股東表決權三分之二以上通過，且記載擬以特別決議通過有關議案事項之召集通知已合法送達者；</p> <p>(b)於非掛牌期間，由當時有權出席股東會並行使表決權之股東（如為法人股東則為其合法授權代表）全體以書面（乙份或數份副本）經簽認通過者；<u>或</u></p> <p>(c)當本公司僅有一名股東時，由該股東以書面經簽認通過者；該決議有效日應以簽認之日為準。</p>	

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	<p data-bbox="551 347 1072 432">本章程規定應以普通決議通過之事項而以特別決議為之者，亦為有效；</p> <p data-bbox="331 496 1072 671">Statutory Reserve a reserve set aside in an amount equal to ten percent (10%) of the <u>annual profits of</u> the Company under the Applicable Listing Rules;</p> <p data-bbox="331 727 524 759">法定盈餘公積</p> <p data-bbox="551 927 1072 1011">依據上市(櫃)規範自本公司當年度盈餘提撥百分之十之盈餘公積；</p>	<p data-bbox="1344 347 1865 432">本章程規定應以普通決議通過之事項而以特別決議為之者，亦為有效；</p> <p data-bbox="1122 496 1865 863">Statutory Reserve a reserve set aside in an amount equal to ten percent (10%) of the <u>total amount of after-tax net profit for the period and other items adjusted to the then-current year's undistributed earnings other than after-tax net profit for the period as calculated by</u> the Company under the Applicable Listing Rules;</p> <p data-bbox="1122 927 1865 1102">法定盈餘公積 依據上市(櫃)規範自本公司當年度稅後淨利，加計當年度稅後淨利以外項目計入當年度未分配盈餘之數額提撥百分之十之盈餘公積；</p>	
第 7 條	(1) The Company shall issue Shares without printing share certificates, provided that the Register shall be conclusive evidence of the entitlement of a Person to Shares recorded against his/her/its name. During the Relevant Period, whenever the Company issues Shares,	(1) The Company shall issue Shares without printing share certificates, provided that the Register shall be conclusive evidence of the entitlement of a Person to Shares recorded against his/her/its name. During the Relevant Period, whenever the Company issues Shares,	In response to the Foreign Issuer's Checklist for Protection of Shareholders' Rights dated

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p>the Company shall deliver or cause the Shareholder Service Agent to deliver Shares by advising TDCC to record the number of Shares against the name of each subscriber within thirty (30) days from the date <u>such</u> Shares <u>may be delivered, pursuant to the Law</u>. The Company shall make a public announcement in accordance with the Applicable Listing Rules prior to the delivery of such Shares.</p> <p>(1)本公司發行股份時得不印製股票，惟股東名簿之記載應為任何人對於股份權利之絕對證據。在掛牌期間，本公司發行股份時，應於開曼法令規定得交付股份之日起三十日內，自行或促使股務代理機構將股份以通知集保結算所登記之方式交付予認股人。本公司並應於股份交付前依上市（櫃）規範公告之。</p>	<p>the Company shall, <u>in compliance with the Law and the Applicable Listing Rules and subject to receipt of the subscription price from each subscriber</u>, deliver or cause the Shareholder Service Agent to deliver Shares by advising TDCC to record the number of Shares against the name of each subscriber within thirty (30) days from the date <u>the Board resolves to issue</u> Shares. The Company shall make a public announcement in accordance with the Applicable Listing Rules prior to the delivery of such Shares.</p> <p>(1)本公司發行股份時得不印製股票，惟股東名簿之記載應為任何人對於股份權利之絕對證據。在掛牌期間，本公司發行股份時，應<u>依照開曼法令規定及上市（櫃）規範，在收訖認股人繳納股款之情形下，於董事會決議發行</u>股份之日起三十日內，自行或促使股務代理機構將股份以通知集保結算所登記之方式交付予認股人。本公司並應於股份交付前依上市（櫃）規範公告之。</p> <p><u>(2) When the total number of Shares in every issuance has been subscribed to in full, the Company shall</u></p>	<p>December 25, 2019, the Company added the requirements about the notice of call for offering of shares referred to in Paragraph (2) of Article 7, and the following Articles were deferred in order, and also adjusted the text in Paragraph (1) and Paragraph (4) of the same Article (formerly Paragraph (3)).</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
		<p><u>immediately request each of the subscribers for payment. Where the Company issues Shares at a premium, the amount in excess of par value shall be collected at the same time with the payment for Shares. Where a subscriber delays payment for Shares as mentioned above, the Company shall prescribe a period of not less than one (1) month and call upon each subscriber to pay up, declaring that in case of default of payment within that prescribed period the subscriber's right shall be forfeited. After the Company have made the aforesaid call, the subscribers who fail to pay accordingly shall forfeit their rights and the Shares subscribed to by them shall be otherwise sold. Under such circumstances, the Company may hold the subscriber liable for compensating the damage, if any, resulting from such default in payment.</u></p> <p>(2)本公司於每次發行股份總數募足時，應即向各認股人催繳股款，以超過票面金額發行股票時，其溢額應與股款同時繳納。認股人延欠上開應繳之股款，經本公司定一個月以上之期限催告照繳，並聲明逾期不繳失</p>	

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	<p>(3) The Company shall not issue any unpaid Shares or partial paid-up Shares to any Person.</p> <p>(3) 本公司不得發行任何未繳納股款或僅繳納部分股款之股份。</p>	<p>其權利者，若認股人仍不照繳，即失其權利，其所認股份另行募集，且本公司如受有損害時，仍得向該認股人請求賠償。</p> <p><u>(4) The Company shall not issue any unpaid Shares or partial paid-up Shares to any Person. For the avoidance of doubt, a subscriber who fails to pay up the Shares pursuant to Paragraph (2) of this Article will not be considered a Member until the Shares to be subscribed are paid in full, and only if the Shares the subscriber subscribed have been paid in full may the subscriber's name be entered in the Register.</u></p> <p><u>(4) 本公司不得發行任何未繳納股款或僅繳納部分股款之股份。為避免疑義，未依本條第(2)項之規定繳納股款之認股人，在未繳足其所認購股份之股款以前，不具有股東之身分，且唯有在認股人就其所認購之股份繳足股款後，其姓名始得被登記於股東名簿。</u></p>	
第 8 條	(a) upon each issuance of new Shares <u>(other than resulting from or in connection with any Merger or Consolidation of the Company, Spin-off of the Company's business, any reorganisation of the</u>	(a) upon each issuance of new Shares, the Board may reserve not more than fifteen percent (15%) of the new Shares for subscription by the Employees pursuant to the Law and the Applicable Listing Rules; and	In response to the amendments made to Article 10, the Company

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p><u>Company, asset acquisition, share swap, exercise of share options or warrants granted to the Employees, conversion of convertible securities or debt instruments, exercise of subscription warrants or rights to acquire Shares vested with preferential or special rights, where the Company issues new Shares to the existing Members by capitalisation of its reserves in accordance with these Articles, Private Placement or other issuance of Shares for consideration other than cash</u>), the Board may reserve not more than fifteen percent (15%) of the new Shares for subscription by the Employees pursuant to the Law and the Applicable Listing Rules; and</p> <p>(a)發行新股時<u>（關於合併、分割、重整、資產收購、股份交換、員工股份選擇權或認股權之行使、可轉換有價證券或公司債之轉換、具優先或特別取得股份權利之認購權或其他權利之行使或依本章程進行公積轉增資而發行新股予原股東、私募或非以現金增資發行新股者除外）</u>，董事會得依照開曼法令及上市（櫃）規範保留發行新股總數不超過百分之十五之股份由員工優先承購。</p>	<p>(a)發行新股時，董事會得依照開曼法令及上市（櫃）規範保留發行新股總數不超過百分之十五之股份由員工優先承購。</p>	<p>adjusted the subparagraph (a) of Article 8.</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
第 10 條	<p><u>The preceding Article</u> shall not apply whenever the new Shares are issued <u>for</u> the following <u>purpose</u>:</p> <p>(a) in connection with a Merger or a Consolidation of the Company or a Spin-off of the Company's business, or pursuant to any reorganisation of the Company;</p> <p>(b) in connection with meeting the Company's obligation under Share subscription warrants and/or options granted to the Employees;</p> <p><u>(c) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to acquire Shares;</u></p> <p><u>(d) in connection with meeting the Company's obligation under share subscription warrant or Preferred Shares vested with rights to acquire Shares;</u></p> <p><u>(e) in connection with any share swap arrangement entered into by the Company, or</u></p> <p><u>(f) in connection with any Private Placement conducted pursuant to Article 13; or</u></p> <p><u>(g) in connection with any other event otherwise prohibited, limited, restricted or exempted to so</u></p>	<p><u>(1) Subparagraph (a) of Article 8 and Article 9</u> shall not apply whenever the new Shares are issued <u>due to</u> the following <u>reasons</u>:</p> <p>(a) in connection with a Merger or a Consolidation of the Company or a Spin-off of the Company's business, or pursuant to any reorganisation of the Company <u>save as otherwise provided by these Articles;</u></p> <p>(b) in connection with meeting the Company's obligation under Share subscription warrants and/or options granted to the Employees;</p> <p><u>(c) in connection with distribution of the Employees' compensation;</u></p> <p><u>(d) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to acquire Shares;</u></p> <p><u>(e) in connection with meeting the Company's obligation under share subscription warrant or Preferred Shares vested with rights to acquire Shares; or</u></p> <p><u>(f) in connection with issuance of new Shares to the existing Members by capitalisation of the Company's reserves in accordance with these Articles.</u></p>	<p>In response to the Foreign Issuer's Checklist for Protection of Shareholders' Rights dated December 25, 2019, the Company added the requirements referred to in Paragraph (2) and Paragraph (3) of Article 10. The former Article 10 was adjusted as Paragraph (1) of Article 10. Meanwhile, the various subparagraphs were also amended in accordance with Taiwan's</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p><u>apply pursuant to the Law and/or the Applicable Listing Rules.</u></p> <p>前條規定於本公司因下列情形發行新股者，不適用之：</p> <p>(a)與合併、分割或重整有關者；</p> <p>(b)與履行員工認股權憑證或選擇權之義務有關者；</p> <p><u>(c)與履行可轉換公司債或附認股權公司債之義務有關者；</u></p> <p><u>(d)與履行認股權憑證或附認股權特別股之義務有關者；</u></p> <p><u>(e)與股份交換有關者；</u></p> <p><u>(f)與第 13 條私募規定有關者；或</u></p> <p><u>(g)與開曼法令及（或）上市（櫃）規範所定之其他禁止、限制或除外情事有關者。</u></p>	<p><u>(1)第 8 條第(a)款與第 9 條規定於本公司因下列事由發行新股者，不適用之：</u></p> <p><u>(a)除本章程另有規定外，與因合併他公司、分割或重整有關者；(b)與履行員工認股權憑證或選擇權之義務有關者；</u></p> <p><u>(c)與分派員工酬勞有關者；</u></p> <p><u>(d)與履行可轉換公司債或附認股權公司債之義務有關者；</u></p> <p><u>(e)與履行認股權憑證或附認股權特別股之義務有關者；</u></p> <p><u>(f)依本章程進行公積轉增資而發行新股予原股東者。</u></p> <p><u>(2) Article 8 and Article 9 shall not apply to any of the following circumstances:</u></p> <p><u>(a) the Company, as the surviving company, issues new Shares for a Merger, or the Company issues new shares for the Merger between its subsidiary and other companies;</u></p>	<p>Company Act.</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
		<p>(b) <u>all new Shares are issued as consideration for being acquired by the other company with the intention of takeover;</u></p> <p>(c) <u>all new Shares are issued as consideration for the acquisition of issued shares, business, or assets of other companies;</u></p> <p>(d) <u>new Shares are issued for the share exchange entered into by the Company;</u></p> <p>(e) <u>new Shares are issued for a Spin-off effected by the transferor company;</u></p> <p>(f) <u>new Shares are issued in connection with any Private Placement conducted pursuant to Article 13;</u></p> <p>(g) <u>new Shares are issued in connection with any other event otherwise prohibited, limited, restricted or exempted to so apply pursuant to the Law and/or the Applicable Listing Rules.</u></p> <p>(2) <u>第 8 條與第 9 條規定於本公司有下列情形之一者，不適用之：</u></p> <p>(a) <u>存續公司為合併而發行新股，或本公司為子公司與他公司之合併而發行新股者；</u></p>	

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
		<p>(b) <u>為利進行併購之意願，發行新股全數用於被收購者；</u></p> <p>(c) <u>發行新股全數用於收購他公司已發行之股份、營業或財產者；</u></p> <p>(d) <u>因進行股份轉換而發行新股者；</u></p> <p>(e) <u>因受讓分割而發行新股者；</u></p> <p>(f) <u>因本章程第 13 條規定之私募而發行新股者；或</u></p> <p>(g) <u>與開曼法令及（或）上市（櫃）規範所定之其他禁止、限制或除外情事有關者。</u></p> <p><u>(3) New Shares issued for any of the circumstances in the preceding Paragraph may be paid up in cash or assets as required for the business of the Company.</u></p> <p><u>(3)本公司因前項所列事由而發行之新股，得以現金或公司事業所需之財產為出資。</u></p>	
第 34 條	(1) During the Relevant Period, at least thirty (30) days' notice of an annual general meeting and fifteen (15) days' notice of an extraordinary general meeting shall be given to each Member, and the Company may make a public announcement of a notice of general meeting to Members holding less than 1,000 Shares instead of	(1) During the Relevant Period, at least thirty (30) days' notice of an annual general meeting and fifteen (15) days' notice of an extraordinary general meeting shall be given to each Member, and <u>subject to the Law and the Applicable Listing Rules,</u> the Company may make a public announcement of a notice of general meeting to	The text adjustment was made to expressly define that the public notice should be made in accordance

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p>delivering the same to each Member. The period of notice shall be exclusive of the day on which it is served and of the day on which the general meeting is to be held. Such notice shall be in writing, shall specify the place, the day and the time of meeting and the agenda and the proposals to be resolved at the general meeting and shall be given in the manner hereinafter described or be given via electronic communications if previously consented by the Members and permitted by the Law and the Applicable Listing Rules.</p> <p>(1)於掛牌期間，股東常會之召集，應於三十日前通知各股東；股東臨時會之召集，應於十五日前通知各股東。對於持股未滿 1,000 股之股東，公司得以公告方式通知之。通知之寄發日及召集日均不計入前述期間。前述通知應以書面為之，並載明開會之地點、日期、時間、議程與召集事由，並依本章程之規定送達，或於取得股東事前同意且不違反開曼法令及上市（櫃）規範之情形下，以電子通訊方式為之。</p>	<p>Members holding less than 1,000 Shares instead of delivering the same to each Member. The period of notice shall be exclusive of the day on which it is served and of the day on which the general meeting is to be held. Such notice shall be in writing, shall specify the place, the day and the time of meeting and the agenda and the proposals to be resolved at the general meeting and shall be given in the manner hereinafter described or be given via electronic communications if previously consented by the Members and permitted by the Law and the Applicable Listing Rules.</p> <p>(1)於掛牌期間，股東常會之召集，應於三十日前通知各股東；股東臨時會之召集，應於十五日前通知各股東。對於持股未滿 1,000 股之股東，公司得<u>依據開曼法令及上市（櫃）規範之規定</u>以公告方式通知之。通知之寄發日及召集日均不計入前述期間。前述通知應以書面為之，並載明開會之地點、日期、時間、議程與召集事由，並依本章程之規定送達，或於取得股東事前同意且不違反開曼法令及上市（櫃）規範之情形下，以電子通訊方式為之。</p>	<p>with the Cayman-Islands laws and the Applicable Listing Rules.</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
第 36 條	<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; 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:</p> <p>下列事項，非在股東會召集事由中列舉，並說明其主要內容，不得在股東會中審議、討論或提付表決；其主要內容得置於中華民國證券主管機關或本公司指定之網站，並應將其網址載明於召集通知：</p> <p>(e) any dissolution, voluntary winding-up, Merger, share swap, Consolidation or Spin-off of the Company; (e)解散、自願清算、合併、股份轉換或分割；</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, 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:</p> <p>下列事項，非在股東會召集事由中列舉，並說明其主要內容，不得在股東會中審議、討論或提付表決；其主要內容得置於中華民國證券主管機關或本公司指定之網站，並應將其網址載明於召集通知：</p> <p>(e) any dissolution, voluntary winding-up, Merger, share exchange, Consolidation or Spin-off of the Company; (e)解散、自願清算、合併、股份轉換或分割；</p>	<p>The adjustment on expressions was made for avoidance of doubt.</p>
第 40 條	<p>(4) The Board shall include a proposal submitted by Member(s) unless:</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</p>	<p>(4) The Board shall include a proposal submitted by Member(s) unless:</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 Book</p>	<p>Adjust the text related to the definitions of the “Book Closure Period” referred to in Paragraph 2 of</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p>the <u>period in which the Register is closed for transfers</u> before the relevant annual general meeting of the Company;</p> <p>(4)除有下列情事之一者外，股東所提議案，董事會應予列入：</p> <p>(b)提案股東於本公司股票停止過戶期間開始時，持股未達百分之一者；</p>	<p><u>Closure Period</u> before the relevant annual general meeting of the Company;</p> <p>(4)除有下列情事之一者外，股東所提議案，董事會應予列入：</p> <p>(b)提案股東於本公司股票停止過戶期間開始時，持股未達百分之一者；</p>	<p>Article 28 for consistency in expressions in provisions.</p>
第 46 條	<p>(1) Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution:</p> <p>(1)除開曼法令或上市（櫃）規範另有規定外，下列事項應經股東會之特別決議為之：</p> <p>新增第(1)項第（f）款。</p> <p>(2) <u>Subject to</u> the Law and the Applicable Listing Rules, in case the Company is dissolved after participating in the</p>	<p>(1) Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution:</p> <p>(1)除開曼法令或上市（櫃）規範另有規定外，下列事項應經股東會之特別決議為之：</p> <p>(f) <u>enter into any share exchange;</u></p> <p>(f)<u>股份轉換</u>；</p> <p>(2) <u>Notwithstanding anything contained in these Articles, unless otherwise provided by</u> the Law and the</p>	<p>In response to the Foreign Issuer's Checklist for Protection of Shareholders' Rights dated December 25, 2019, the Company added the subparagraph (f), Paragraph (1) of Article 46, and the following</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p>merger/consolidation or the Company is delisted from the TPEx or TWSE due to the general transfer (or the assignment of all rights and delegation of all duties of the Company), the transfer of business or assets of the Company, any share <u>swap arrangement</u> or any Spin-off entered into or carried out by the Company while the surviving, transferee, existing or newly incorporated company is not a listed company (including TWSE/TPEx listed company), any such action aforementioned shall be approved by the affirmative vote of at least two-thirds (2/3) of the total votes cast by the Members of the Company.</p> <p>(2)除開曼法令或上市（櫃）規範另有規定外，本公司參與合併後消滅，或本公司概括讓與（或轉讓本公司所有權利與義務）、讓與本公司之營業或財產、股份轉換或分割而致終止上市（櫃），且存續、既存、新設或受讓之公司為非上市（櫃）公司（包括證交所/櫃買中心之上市（櫃）公司）者，應經本公司全部已發行股份總數三分之二以上股東之同意行之。</p>	<p>Applicable Listing Rules, in case the Company is dissolved after participating in the merger/consolidation or the Company is delisted from the TPEx or TWSE due to the general transfer (or the assignment of all rights and delegation of all duties of the Company), the transfer of business or assets of the Company, any share <u>exchange</u> or any Spin-off entered into or carried out by the Company while the surviving, transferee, existing or newly incorporated company is not a listed company (including TWSE/TPEx listed company), any such action aforementioned shall be approved by the affirmative vote of at least two-thirds (2/3) of the total votes cast by the Members of the Company.</p> <p>(2)<u>儘管本章程有所規範</u>，除開曼法令或上市（櫃）規範另有規定外，本公司參與合併後消滅，或本公司概括讓與（或轉讓本公司所有權利與義務）、讓與本公司之營業或財產、股份轉換或分割而致終止上市（櫃），且存續、既存、新設或受讓之公司為非上市（櫃）公司（包括證交所/櫃買中心之上市（櫃）公司）者，應經本公司全部已發行股份總數三分之二以上股東之同意行之。</p>	<p>subparagraphs were deferred in order. Meanwhile, the text adjustment was also made to Paragraph (2) of Article 46.</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
第 48 條	<p>(2) Subject to the compliance with the Law, in the event <u>any part of the Company's business is involved in</u> any Spin-Off, <u>Merger or</u> Consolidation, a Member, <u>who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing or orally with an entry to that effect in the minutes of the meeting before the relevant vote,</u> may request the Company to purchase all of his Shares at the then prevailing fair price.</p> <p>(2)在不違反開曼法令規定之情形下，股東會決議本公司分割<u>或與他公司</u>新設合併/吸收合併時，<u>股東在該議案表決前以書面表示異議，或以口頭表示異議經紀錄，並就該議案放棄其表決權者，</u>得請求本公司按當時公平價格收買其持有之股份。</p> <p>(3) Without prejudice to the Law, in the event the Company and a Member making a request pursuant to Paragraphs <u>(1) or (2)</u> of this Article fail to reach agreement on the purchase price within sixty (60) days following the date of the resolution, the <u>Member may,</u> within thirty (30) days after such sixty (60) days period, file a petition <u>to</u></p>	<p>(2) Subject to the compliance with the Law, in the event <u>that the Company resolves to carry out</u> any Spin-Off, Consolidation, <u>Merger, acquisition or share exchange (collectively, the "Merger and Acquisition")</u>, a Member <u>expressing his dissent in accordance with the Applicable Listing Rules</u> may request the Company to purchase all of his Shares at the then prevailing fair price.</p> <p>(2)在不違反開曼法令規定之情形下，股東會決議本公司<u>進行分割、新設合併/吸收合併、收購或股份轉換（下合稱「併購事項」）</u>時，<u>依上市（櫃）規範之規定表示異議之股東</u>得請求本公司按當時公平價格收買其持有之股份。</p> <p>(3) Without prejudice to the Law, in the event the Company and a Member making a request pursuant to Paragraphs (2) of this Article fail to reach agreement on the purchase price within sixty (60) days following the date of the resolution, the <u>Company shall,</u> within thirty (30) days after such sixty (60) days period, file a petition <u>against</u></p>	<p>In response to the Foreign Issuer's Checklist for Protection of Shareholders' Rights dated December 25, 2019, the Company amended Paragraph (2) and Paragraph (3) of Article 48, and added Paragraph (4) and Paragraph (5) of Article 48.</p>

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	<p>the R.O.C. Courts for a ruling on the appraisal price. <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></p> <p>(3)在不違反開曼法令規定之情形下，依<u>前二項</u>行使股份收買請求權之股東，與本公司在股東會決議日起六十日內未達成協議者，<u>得在此期間經過後三十日內，向中華民國法院聲請為價格之裁定。惟本公司亦得為保障異議股東之權益而依據掛牌地國法令辦理。</u></p>	<p><u>all Members who fail to reach such an agreement (collectively, the "Dissenting Members") with the R.O.C. Courts for a ruling on the appraisal price, and may designate Taiwan Taipei District Court of the R.O.C. as the court of first instance.</u></p> <p>(3)在不違反開曼法令規定之情形下，依<u>本條第(2)項</u>行使股份收買請求權之股東，與本公司在股東會決議日起六十日內未達成協議者，<u>本公司應於此期間經過後三十日內，以全體未達成協議之股東為相對人，向中華民國法院聲請為價格之裁定，並得以臺灣臺北地方法院為第一審管轄法院。</u></p> <p><u>(4) Without prejudice to the Law, a Member making a request pursuant to Paragraphs (1) or (2) of this Article shall make such request in writing within twenty (20) days after the date of the general meeting adopting resolutions with respect to the matter(s) as set out in Subparagraph (a), (b) or (c) of Paragraph (1) of Article 46 or the Merger and Acquisition, and specify the repurchase price. If the Member and the Company reach an agreement on</u></p>	

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
		<p><u>the repurchase price, the Company shall pay for the Shares to be repurchased within ninety (90) days after the date of the general meeting adopting such resolutions. In case no agreement is reached, the Company shall pay the fair repurchase price determined at its discretion to the Dissenting Members with whom the Company fail to reach an agreement within ninety (90) days after the date of the general meeting adopting such resolutions. If the Company fails to pay the price, it shall be considered to have accepted the repurchase price proposed by such Dissenting Members.</u></p> <p>(4)在不違反開曼法令規定之情形下，依本條第(1)項及第(2)項行使股份收買請求權之股東，應於股東會決議日起二十日內以書面提出，並列明請求收買價格。股東與本公司就收買價格達成協議者，本公司應自股東會決議日起九十日內支付價款。若股東與本公司未達成協議者，本公司應自決議日起九十日內，依其所認為之公平價格支付價款予未達成協議之股東；本公司未支付者，視為同意股東請求收買之價格。</p>	

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
		<p><u>(5) Notwithstanding Paragraphs (2), (3) and (4) of this Article, nothing under this Article shall restrict or prohibit a Member from exercising his right under section 238 of the Companies Law of the Cayman Islands and any amendment or other statutory modification thereof to payment of the fair value of his shares upon dissenting from a Consolidation or Merger.</u></p> <p>(5)儘管有本條第(2)項至第(4)項之規定，就本公司進行新設合併/吸收合併表示異議之股東，仍得依照英屬開曼群島公司法（暨其修訂或其他變更）第 238 條行使請求本公司按公平價格收買其持有股份之權利，不受本條規定之限制或禁止。</p>	
第 73 條	(1) Without prejudice to the duties owed by a Director to the Company under common law of the Cayman Islands and subject to the Law, the Directors shall assume fiduciary duties to the Company and without limitation, the due care of a good administrator, and exercise due care and skill in conducting the business operation of the Company. A Director may be liable to the Company if	(1) Without prejudice to the duties owed by a Director to the Company under common law of the Cayman Islands and subject to the Law, the Directors shall assume fiduciary duties to the Company and without limitation, the due care of a good administrator, exercise due care and skill and act in the best interest of the Company in conducting the business operation of the Company.	In response to the Foreign Issuer's Checklist for Protection of Shareholders' Rights dated December 25, 2019, the

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p>he acts contrary to his duties. In circumstances where a Director breaches any of such duties and acts for his/her or other Person's interest, the Company may, with the sanction of an Ordinary Resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover any and all earnings derived from such act as if such misconduct is done for the benefit of the Company.</p> <p>(1)在不影響董事依據英屬開曼群島普通法對本公司所負義務之情況下，除開曼法令另有規定外，董事應對本公司負忠實義務，且不限於善良管理人之注意義務，並應以合理之注意及技能執行本公司業務。董事如有違反其義務者，應對本公司負擔賠償責任；若該董事違反其義務且係為自己或他人利益為行為時，經股東會普通決議，本公司得在法律允許之最大範圍內，為一切適當行為，以將該行為之所得歸為本公司之所得。</p>	<p><u>including matters in connection with Spin-off, Consolidation, Merger, or acquisition of the Company.</u> A Director may be liable to the Company if he acts contrary to his duties. In circumstances where a Director breaches any of such duties and acts for his/her or other Person's interest, the Company may, with the sanction of an Ordinary Resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover any and all earnings derived from such act as if such misconduct is done for the benefit of the Company.</p> <p>(1)在不影響董事依據英屬開曼群島普通法對本公司所負義務之情況下，除開曼法令另有規定外，董事應對本公司負忠實義務，且不限於善良管理人之注意義務，並應以合理之注意、技能，<u>及為公司之最大利益執行本公司業務（包括處理本公司進行分割、新設合併/吸收合併、收購等事宜）</u>。董事如有違反其義務者，應對本公司負擔賠償責任；若該董事違反其義務且係為自己或他人利益為行為時，經股東會普通決議，本公司得在法律允許之最大範圍內，為一切適當行為，以將該行為之所得歸為本公司之所得。</p>	<p>Company added Paragraph (1) of Article 73.</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
第 79 條	新增第(2)項	<p><u>(2) If the Board fails to comply with the Applicable Listing Rules, these Articles and any resolutions passed in a general meeting in dealing with matters in connection with Spin-off, Consolidation, Merger, or acquisition of the Company, as a result of which the Company suffers damages, any Director involved in decision-making related thereto shall be liable to the Company in respect of the damages suffered by the Company. However, a Director may be exempted from the liability if the minutes of the Board meeting or written statement demonstrates such Director's dissent.</u></p> <p><u>(2)董事會違反上市（櫃）規範、本章程或股東會決議進行分割、新設合併/吸收合併、收購等事宜，致本公司受有損害時，參與決議之董事，對本公司應負賠償之責。但經表示異議之董事，有紀錄或書面聲明可證者，免其責任。</u></p>	<p>In response to the Foreign Issuer's Checklist for Protection of Shareholders' Rights dated December 25, 2019, the Company added Paragraph (2) of Article 79. The original Article 79 were divided into the first and second parts, which were adjusted as Paragraph (1) and Paragraph (3) of Article 79.</p>
第 82.3 條	本條新增。	<p><u>(1) During the Relevant Period, prior to any resolution of the Merger and Acquisition by the Board, the audit</u></p>	<p>In response to the Foreign Issuer's</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
		<p><u>committee of the Company shall review the fairness and reasonableness of the plan and transaction of the Merger and Acquisition, and then submit review results to the Board and the general meeting of the Company. However, the audit committee of the Company may elect not to submit the aforesaid review results to the Members at a general meeting if the Law provides that the Merger and Acquisition to be resolved requires no approval by the Members.</u></p> <p>(1)於掛牌期間，本公司董事會決議併購事項前，應由審計委員會就併購事項計畫與交易之公平性、合理性進行審議，並將審議結果提報董事會及股東會。但依開曼法令規定無須召開股東會決議者，得不提報股東會。</p> <p>(2) <u>When reviewing the abovementioned matters, the audit committee of the Company shall seek opinions from an independent expert on the reasonableness of the share exchange ratio or the distribution of cash or other assets.</u></p>	<p>Checklist for Protection of Shareholders' Rights dated December 25, 2019, the Company added Article 82.3.</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
		<p><u>(2)審計委員會進行前項之審議時，應委請獨立專家就換股比例或配發股東之現金或其他財產之合理性提供意見。</u></p> <p><u>(3) The Company shall send the review results of the audit committee of the Company and opinions of independent experts to all Members together with the notice of general meeting in which the Merger and Acquisition is to be resolved. However, the Company shall report the Merger and Acquisition to the Members at the most recent general meeting if the Law provides that the Merger and Acquisition to be resolved requires no approval by the Members.</u></p> <p><u>(3)審計委員會之審議結果及獨立專家之意見，應於發送決議併購事項之股東會召集通知時，一併發送予股東；但依開曼法令規定無須召開股東會決議者，應於最近一次股東會就併購事項提出報告。</u></p> <p><u>(4) If the Company posted the aforesaid review results and opinions of independent experts on a website designated by the R.O.C. competent authorities and</u></p>	

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
		<p><u>arranged for the same documents to be made available at the venue of the general meeting of the Company for inspection by Members, those documents shall be deemed as having been sent to all Members.</u></p> <p><u>(4)前項審議結果及獨立專家之意見，經本公司於中華民國證券主管機關指定之網站公告同一內容，且備置於股東會會場供股東查閱者，對於股東視為已發送。</u></p>	
第 83 條	<p>(1) During the Relevant Period, a person who is under any of the following circumstances shall not act as a Director of the Company; if he has already held office of a Director, he shall cease to act as a Director and be removed from the position of Director automatically:</p> <p>(1)於掛牌期間，有下列情事之一者不得擔任董事，其已擔任者，當然解任：</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.) has not</p>	<p>(1) During the Relevant Period, a person who is under any of the following circumstances shall not act as a Director of the Company; if he has already held office of a Director, he shall cease to act as a Director and be removed from the position of Director automatically:</p> <p>(1)於掛牌期間，有下列情事之一者不得擔任董事，其已擔任者，當然解任：</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.) <u>and has been</u></p>	The adjustment on expressions was made for avoidance of doubt.

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p>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 is less than five (5) years;</p> <p>(a) 曾犯重罪（包括但不限於中華民國組織犯罪防制條例之罪），經有罪判決確定，尚未執行、尚未執行完畢，或執行完畢、緩刑期滿或赦免後未<u>尚未</u>逾五年者；</p> <p>(b) has been imposed a final sentence involving imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, 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 is less than two (2) years;</p>	<p><u>convicted thereof, and either (i) he</u> has not started serving the sentence, <u>(ii) he</u> has not completed serving the sentence, or <u>(iii)</u> the time elapsed after completion of serving the sentence, expiration of the probation, or pardon is less than five (5) years;</p> <p>(a) 曾犯重罪（包括但不限於中華民國組織犯罪防制條例之罪），經有罪判決確定，<u>且(i)</u>尚未執行、<u>(ii)</u>尚未執行完畢，或<u>(iii)</u>執行完畢、緩刑期滿或赦免後未逾五年者；</p> <p>(b) has been imposed a final sentence involving imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and <u>either (i) he</u> has not started serving the sentence, <u>(ii) he</u> has not completed serving the sentence, or <u>(iii)</u> the time elapsed after completion of serving the sentence, expiration of the probation, or pardon is less than two (2) years;</p>	

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p>(b) 曾犯詐欺、背信、侵占罪經宣告有期徒刑一年以上之刑確定，尚未執行、尚未執行完畢，或執行完畢、緩刑期滿或赦免後未逾二年者；</p> <p>(c) has been imposed a final sentence due to violation of the Anti-corruption Act, 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 is less than two (2) years; <i>(Omitted)</i></p> <p>(c) 曾犯貪污治罪條例之罪，經判決有罪確定，尚未執行、尚未執行完畢，或執行完畢、緩刑期滿或赦免後未逾二年者；(略)</p>	<p>(b) 曾犯詐欺、背信、侵占罪經宣告有期徒刑一年以上之刑確定，<u>且(i)</u>尚未執行、<u>(ii)</u>尚未執行完畢，或<u>(iii)</u>執行完畢、緩刑期滿或赦免後未逾二年者；</p> <p>(c) has been imposed a final sentence due to violation of the Anti-corruption Act, and <u>either (i) he</u> has not started serving the sentence, <u>(ii) he</u> has not completed serving the sentence, or <u>(iii)</u> the time elapsed after completion of serving the sentence, expiration of the probation, or pardon is less than two (2) years; <i>(Omitted)</i></p> <p>(c) 曾犯貪污治罪條例之罪，經判決有罪確定，<u>且(i)</u>尚未執行、<u>(ii)</u>尚未執行完畢，或<u>(iii)</u>執行完畢、緩刑期滿或赦免後未逾二年者；(略)</p>	
第 86 條	Subject to the Law, one or more Members holding one percent (1%) or more of the total number of the <u>outstanding</u> Shares continuously for a period of six months or a longer time may request in writing any Independent Director of the <u>Audit Committee</u> to file, on behalf of the Company, an action against a Director who has, in the course of	Subject to the Law, one or more Members holding one percent (1%) or more of the total number of the <u>issued</u> Shares continuously for a period of six months or a longer time may request in writing any Independent Director of the <u>audit committee</u> to file, on behalf of the Company, an action against a Director who has, in the course of	The adjustment on expressions was made for avoidance of doubt.

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p>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>除開曼法令另有規定外，繼續六個月以上持有已發行股份總數百分之一以上之股東，得以書面請求審計委員會之任一獨立董事為本公司，向有管轄權之法院（包括臺灣臺北地方法院），對執行職務損害本公司或違反開曼法令、上市（櫃）規範或本章程之董事提起訴訟。該獨立董事自收受前述請求日起三十日內不提起訴訟時，於開曼法令允許之範圍內，該請求之股東得為本公司提起訴訟。</p>	<p>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>除開曼法令另有規定外，繼續六個月以上持有已發行股份總數百分之一以上之股東，得以書面請求審計委員會之任一獨立董事為本公司，向有管轄權之法院（包括臺灣臺北地方法院），對執行職務損害本公司或違反開曼法令、上市（櫃）規範或本章程之董事提起訴訟。該獨立董事自收受前述請求日起三十日內不提起訴訟時，於開曼法令允許之範圍內，該請求之股東得為本公司提起訴訟。</p>	
第 91 條	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	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	In response to the Foreign Issuer's Checklist for

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p>and its essential contents at such relevant meeting. 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. Any Director who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a meeting of Board shall abstain from voting, on his own behalf or as a proxy or corporate representative, with respect to the said matter. Any and all votes cast by such Director(s) shall not be counted in determining the number of votes for or against such matter.</p>	<p>and its essential contents at such relevant meeting. <u>When the Company conducts any Spin-Off, Consolidation, Merger, or acquisition, a Director who bears any interest in the transaction shall explain the essential contents of such personal interest and the reason of approval or disapproval of the resolution in connection with the transaction in a meeting of the Board and the general meeting of the Company.</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. Any Director who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a meeting of Board shall abstain from voting, on his own behalf or as a proxy or corporate representative, with respect to the said matter. Any and all votes cast by such Director(s) shall not be counted in determining the number of votes for or against such matter.</p>	<p>Protection of Shareholders' Rights dated December 25, 2019, the Company amended Article 91.</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p>董事就董事會議之事項，具有直接或間接利害關係時，應於董事會中揭露其自身利害關係之重要內容。董事之配偶、依中華民國民法定義之二親等內血親，或與董事具有控制從屬關係之公司，就董事會議之事項有利害關係者，視為董事就該事項有自身利害關係。董事對於董事會之事項，有自身利害關係致有害於公司利益之虞時，不得加入表決，並不得代理他董事行使其表決權。該不得行使表決權之董事，其表決權不算入已出席董事之表決權數。</p>	<p>董事就董事會議之事項，具有直接或間接利害關係時，應於董事會中揭露其自身利害關係之重要內容；<u>於本公司進行分割、新設合併/吸收合併、收購時，董事應於董事會及股東會說明其與該交易自身利害關係之重要內容及贊成或反對該交易決議之理由</u>。董事之配偶、依中華民國民法定義之二親等內血親，或與董事具有控制從屬關係之公司，就董事會議之事項有利害關係者，視為董事就該事項有自身利害關係。董事對於董事會之事項，有自身利害關係致有害於公司利益之虞時，不得加入表決，並不得代理他董事行使其表決權。該不得行使表決權之董事，其表決權不算入已出席董事之表決權數。</p>	
第 100 條	<p>(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</p>	<p>(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</p>	<p>The text adjustment was made to make the English contents correspond to the Chinese contents.</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p>amount of the Statutory Reserve amounts to the Company's total paid-in capital), and setting aside the Special Reserve (if any), the Company may distribute not less than ten percent (10%) of the remaining balance (including the amounts reversed from the Special Reserve), plus accumulated undistributed profits of previous years (including adjusted undistributed profits) <u>in part</u> or <u>in whole</u> 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 ten percent (10%) of the total amount of dividends/bonuses to Members.</p> <p>(3)於掛牌期間，除開曼法令、上市（櫃）規範或本章程另有規定，或附於股份之權利另有規範外，凡本公司於每一會計年度終了時如有盈餘，於依法提繳所有相關稅款、彌補虧損（包括先前年度之虧損及調整未分配盈餘金額，如有）、按照上市（櫃）規範提撥法定</p>	<p>amount of the Statutory Reserve amounts to the Company's total paid-in capital), and setting aside the Special Reserve (if any), the Company may distribute not less than ten percent (10%) of the remaining balance (including the amounts reversed from the Special Reserve), plus accumulated undistributed profits of previous years (including adjusted undistributed profits) <u>in whole</u> or <u>in part</u> 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 ten percent (10%) of the total amount of dividends/bonuses to Members.</p> <p>(3)於掛牌期間，除開曼法令、上市（櫃）規範或本章程另有規定，或附於股份之權利另有規範外，凡本公司於每一會計年度終了時如有盈餘，於依法提繳所有相關稅款、彌補虧損（包括先前年度之虧損及調整未分配盈餘金額，如有）、按照上市（櫃）規範提撥法定</p>	

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	<p>盈餘公積(但若法定盈餘公積合計已達本公司實收資本總額者不適用之),次提特別盈餘公積(如有)後,剩餘之金額(包括經迴轉之特別盈餘公積)得由股東常會以普通決議,以不低於該可分配盈餘金額之百分之十,加計經本公司股東常會以普通決議所定以前年度累積未分配盈餘之全部或一部(包括調整未分配盈餘金額),依股東持股比例,派付股息/紅利予股東,其中現金股息/紅利之數額,不得低於該次派付股息/紅利總額之百分之十。</p>	<p>盈餘公積(但若法定盈餘公積合計已達本公司實收資本總額者不適用之),次提特別盈餘公積(如有)後,剩餘之金額(包括經迴轉之特別盈餘公積)得由股東常會以普通決議,以不低於該可分配盈餘金額之百分之十,加計經本公司股東常會以普通決議所定以前年度累積未分配盈餘之全部或一部(包括調整未分配盈餘金額),依股東持股比例,派付股息/紅利予股東,其中現金股息/紅利之數額,不得低於該次派付股息/紅利總額之百分之十。</p>	
第 103 條	<p>新增第(2)項</p>	<p><u>(2) If the Company keeps its accounting records and books of account at any place outside the Cayman Islands in accordance with the preceding paragraph, it shall, upon service of an order or notice pursuant to the Tax Information Authority Law and any amendment or other statutory modification thereof, make available, in electronic form or any other medium at its Registered Office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.</u></p> <p><u>(2)本公司依前項規定將會計紀錄與帳冊備置於英屬開曼群島境外者,應於收受依據英屬開曼群島稅務資訊</u></p>	<p>In response to the amendments to 2019 Companies Act of Cayman Islands, the Company added Paragraph (2) of Article 103.</p>

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
		<u>機關法暨其修訂或其他變更所發布之命令或通知後，按該命令或通知所記載，以電子或其他方式備置帳冊或其中之任何部份於本公司註冊辦公處供查閱。</u>	
第 111 條	<p>Subject to the Law, if the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Law, divide_ amongst the Members <u>in specie or kind</u> the whole or any part of the <u>assets</u> of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different Classes. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any asset whereon there is any liability.</p> <p>在符合開曼法令之情形下，本公司清算時，清算人得經本公司股東會特別決議同意並根據開曼法令要求之批准，依股東所持股份比例，將公司全部或部分財產以現金或實物（無論是否為同樣性質之資產）分配予股東。</p>	<p>Subject to the Law, if the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Law, divide <u>and distribute</u> amongst the Members the whole or any part of the <u>property</u> of the Company (whether they shall consist of property of the same kind or not) <u>in cash or asset</u> and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different Classes. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any asset whereon there is any liability.</p> <p>在符合開曼法令之情形下，本公司清算時，清算人得經本公司股東會特別決議同意並根據開曼法令要求之批准，依股東所持股份比例，將公司全部或部分財產以現金或實物（無論是否為同樣性質之資產）分配予股東。</p>	The adjustment on expressions was made for avoidance of doubt.

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
	清算人並得決定所分派財產之合理價值，並決定股東間或不同股份類別間之分派方式。清算人認為適當時，得按開曼法令之批准，為股東之利益將此等財產之全部或一部交付信託，惟不應迫使股東接受負有債務之任何財產。	清算人並得決定所分派財產之合理價值，並決定股東間或不同股份類別間之分派方式。清算人認為適當時，得按開曼法令之批准，為股東之利益將此等財產之全部或一部交付信託，惟不應迫使股東接受負有債務之任何財產。	

*The English version of the amended Memorandum and Articles of Association shall govern. Notwithstanding, no simple corrections, adjustment of Paragraph No./Subparagraph No, and correction of numbers in the Memorandum and Articles of Association or simple text adjustment in the Chinese translation would be stated item by item.

9. Comparative List of Amendments to the “Operating Procedures for Loaning Funds to Others”

Luo Lih-Fen Holding Co., Ltd.

9. Comparative List of Amendments to the “Operating Procedures for Loaning Funds to Others”

Amended provisions	Existing provisions	Notes
<p>Article 6. Limits on the aggregate amount of loans and on the amount of loans permitted to a single borrower</p> <p>1. The aggregate amount of loans granted by the Company shall not exceed 40 percent of the Company's net worth.</p> <p>2. The amount of an individual loan granted by the Company to a company or business with business relationship with the Company shall not exceed the business transaction amount in the past year between the parties. The “Business transaction amount” refers to the amount of purchase or sale between the parties, whichever is higher.</p> <p>3. Where funds are lent to a company or business with short-term financial need, each individual loan shall not exceed 40% of the Company's net worth.</p> <p>4. The loan of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares, and the loan of funds granted to the Company by foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares, shall be no more than 50% of the Company's net worth, in aggregation or individually.</p>	<p>Article 6. Limits on the aggregate amount of loans and on the amount of loans permitted to a single borrower</p> <p>1. The aggregate amount of loans granted by the Company shall not exceed 40 percent of the Company's net worth.</p> <p>2. The amount of an individual loan granted by the Company to a company or business with business relationship with the Company shall not exceed the business transaction amount in the past year between the parties. The “Business transaction amount” refers to the amount of purchase or sale between the parties, whichever is higher.</p> <p>3. Where funds are lent to a company or business with short-term financial need, each individual loan shall not exceed 40% of the Company's net worth.</p> <p>4. The loan of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares shall be no more than 50% of the Company's net worth, in aggregation or individually.</p>	<p>Financial Supervisory Commission (“FSC”) considered at the very beginning that the inter-company loans of funds between overseas companies in which public companies hold, directly or indirectly, 100% of the voting rights were similar to the inter-department fund utilization and overseas companies were exempted from the restrictions imposed under Article 15 of the Company Act; therefore, it ruled that the restriction in the subparagraph 2, Paragraph 1 of Article 3 of the Regulations should not apply to inter-company loans of funds between overseas companies in which the same company holds 100% of the voting rights. Meanwhile, according to external suggestions, and in order to enhance the flexibility of the inter-group fund allocation and utilization, and considering that overseas companies are exempted from the requirements under Article 15 of the Company Act, it amended Paragraph 4 to allow that the loans of funds granted by the overseas companies in which the public companies hold 100% of the voting right, directly or indirectly, may be exempted from the restrictions on 40% of the net worth and one-year period. Additionally, for the purpose of fair risk management, and in order to prevent the large-sum loan granted by a public company from injuring shareholders' equity, the short-term</p>

Amended provisions	Existing provisions	Notes
		financing facility between the public company and any of the subsidiaries wholly-owned by the public company, directly or indirectly, shall be still subject to the restrictions imposed under the subparagraph 2, Paragraph 1 of Article 3 of the Regulations.
<p>Article 10. Internal control</p> <p>1. The Company shall prepare a memorandum book for its fund-loaning activities and truthfully record the following information: borrower, amount, date of approval by the Board of Directors, lending/borrowing date, and matters to be carefully evaluated under the relevant requirements.</p> <p>2. The Company's internal auditors shall audit the Operating Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors or independent directors in writing of any material violation found. In the case of any material violation found, the managers and personnel in charge shall be disciplined subject to the circumstances.</p> <p>3. If, as a result of a change in circumstances, an entity for which an endorsement/guarantee is made does not meet the requirements of the Regulations or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to all the supervisors or independent directors, and shall complete the rectification</p>	<p>Article 10. Internal control</p> <p>1. The Company shall prepare a memorandum book for its fund-loaning activities and truthfully record the following information: borrower, amount, date of approval by the Board of Directors, lending/borrowing date, and matters to be carefully evaluated under the relevant requirements.</p> <p>2. The Company's internal auditors shall audit the Operating Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors or independent directors in writing of any material violation found. In the case of any material violation found, the managers and personnel in charge shall be disciplined subject to the circumstances.</p> <p>3. If, as a result of a change in circumstances, an entity for which an endorsement/guarantee is made does not meet the requirements of the Regulations or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to all the supervisors or independent directors, and shall complete the rectification</p>	<p>According to the amendments to Article 26-2 of the Regulations, expressly defining that where a public company has appointed an audit committees, when there is any material violations involved by loans of funds, it shall at the same time also give written notice to the audit committee, and a rectification plan as well.</p>

Amended provisions	Existing provisions	Notes
<p>according to the schedule set out in the plan to strengthen the Company's internal control.</p> <p>4. Where an audit committee has been established, the requirements referred to in the preceding two paragraphs related to supervisors shall apply <i>mutatis mutandis</i> to the audit committee.</p>	<p>according to the schedule set out in the plan to strengthen the Company's internal control.</p>	
<p>Article 16. Enforcement and amendments</p> <p>The Procedure shall be implemented after the Board of Directors grants the approval and it is reported and approved at a shareholders' meeting. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions for discussion by the shareholders' meeting. The same shall be followed when the Procedure have been amended.</p> <p>Where the Company has appointed independent directors, when it submits the Operating Procedure for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director expresses any dissent or reservation, it shall be specifically recorded in the minutes of the Board of Directors meeting.</p> <p><u>Where the Company has established an audit committee, when it adopts or amends the Procedure, the Procedure or amended Procedure shall require the approval of one-half or more of all audit committee members, and</u></p>	<p>Article 16. Enforcement and amendments</p> <p>The Procedure shall be implemented after the Board of Directors grants the approval and it is reported and approved at a shareholders' meeting. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions for discussion by the shareholders' meeting. The same shall be followed when the Procedure have been amended.</p> <p>Where the Company has appointed independent directors, when it submits the Procedure for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director expresses any assent or dissent, it shall be specifically recorded in the minutes of the Board of Directors meeting.</p>	<p>To adjust the text in Paragraph 2 based on Article 14-3 of the Securities and Exchange Act. Meanwhile, according to Article 14-5 of the Securities and Exchange Act, an audit committee's powers include adoption of or amendment to the operating procedures for handling the important financial business, such as loans of funds to others. Therefore, the Company added Paragraphs 3~5 herein in accordance with Article 6 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

Amended provisions	Existing provisions	Notes
<p><u>furthermore shall be submitted for a resolution by the Board of Directors, in which case the provisions of Paragraph 2 shall not apply.</u></p> <p><u>If the approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</u></p> <p><u>The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</u></p>		

10. Comparative List of Amendments to the “Operating Procedures for Endorsement and Guarantee”

Luo Lih-Fen Holding Co., Ltd.

10. Comparative List of Amendments to the Operating Procedures for Endorsement and Guarantee

Amended provisions	Existing provisions	Notes
<p>Article 10. Internal control</p> <p>2. The Company's The internal auditors shall audit the Operating Procedures for Endorsement and Guarantee and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors or independent directors in writing of any material violation found.</p> <p><u>Where the Company has established an audit committee, the requirements referred to in the preceding related to supervisors shall apply <i>mutatis mutandis</i> to the audit committee.</u></p> <p>2. The Company shall make endorsements/guarantees, if any, in accordance with the Procedure. In the case of any material violation found, the managers and personnel in charge shall be disciplined subject to the circumstances.</p>	<p>Article 10. Internal control</p> <p>2. The Company's The internal auditors shall audit the Operating Procedures for Endorsement and Guarantee and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors or independent directors in writing of any material violation found.</p> <p>2. The Company shall make endorsements/guarantees, if any, in accordance with the Procedure. In the case of any material violation found, the managers and personnel in charge shall be disciplined subject to the circumstances.</p>	<p>According to the amendments to Article 26-2 of the Regulations, expressly defining that where a public company has appointed an audit committees, when there is any material violations involved by Endorsement, it shall at the same time also give written notice to the audit committee.</p>
<p>Article 12. Time limit and procedure for announcement and report</p> <p>The Company shall announce and report the previous month's endorsement and guarantee balances of the Company and its subsidiaries by the 10th day of each month. When the endorsement/guarantee balances reach one of the following levels, the Company shall announce and report it within two days commencing immediately from the of occurrence:</p> <p>1. The aggregate endorsement/guarantee balances reach 50 percent or more of the Company's net worth as stated in its latest financial statement.</p>	<p>Article 12. Time limit and procedure for announcement and report</p> <p>The Company shall announce and report the previous month's endorsement and guarantee balances of the Company and its subsidiaries by the 10th day of each month. When the endorsement/guarantee balance reaches one of the following levels, the Company shall announce and report it within two days commencing immediately from the of occurrence:</p> <p>1. The aggregate endorsement/guarantee balances reach 50 percent or more of the Company's net worth as stated in its</p>	<p>In order to expressly define the long-term investment, the Company made the text adjustment in accordance with the subparagraph 1, Paragraph 9 of Article 4 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p>

Amended provisions	Existing provisions	Notes
<p>2. The endorsement/guarantee balances to a single enterprise reach 20 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>3. The endorsement/guarantee balances for a single enterprise reach NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, <u>carrying value of the investment under equity method in</u>, and balance of loans to, such enterprise reach 30 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>4. The amount of new endorsements/guarantees made by the Company or its subsidiaries reach NT\$30 million or more, and reach 5 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to the subparagraphs of the preceding paragraph.</p>	<p>latest financial statement.</p> <p>2. The endorsement/guarantee balances to a single enterprise reach 20 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>3. The endorsement/guarantee balances for a single enterprise reach NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, <u>long-term investment in</u>, and balance of loans to, such enterprise reach 30 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>4. The amount of new endorsements/guarantees made by the Company or its subsidiaries reach NT\$30 million or more, and reach 5 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to the subparagraphs of the preceding paragraph.</p>	
<p>Article 18. The Operating Procedure shall be implemented after the Board of Directors grants the approval, and it is reported and approved at a shareholders' meeting. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions for discussion by the shareholders' meeting. The same shall be followed when the Procedure have been amended.</p> <p>When the Company submits the Operating Procedure for discussion by the Board of Directors pursuant to the preceding paragraph, the Board</p>	<p>Article 18. The Operating Procedure shall be implemented after the Board of Directors grants the approval, and it is reported and approved at a shareholders' meeting. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions for discussion by the shareholders' meeting. The same shall be followed when the Procedure have been amended.</p> <p>When the Company submits the Operating Procedure for discussion by the Board of Directors pursuant to the preceding paragraph, the Board</p>	<p>To adjust the text in Paragraph 2 based on Article 14-3 of the Securities and Exchange Act. Meanwhile, according to Article 14-5 of the Securities and Exchange Act, an audit committee's powers include adoption of or amendment to the operating procedures for handling the important financial business, such as loans of funds to others. Therefore, the Company added Paragraphs 3~5 herein in accordance with Article 6 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

Amended provisions	Existing provisions	Notes
<p>of Directors shall take into full consideration each independent director's opinions. If an independent director expresses any dissent or reservation, it shall be specifically recorded in the minutes of the Board of Directors meeting.</p> <p><u>Where the Company has established an audit committee, when it adopts or amends the Procedure, the Procedure or amended Procedure shall require the approval of one-half or more of all audit committee members, and furthermore shall be submitted for a resolution by the Board of Directors, in which case the provisions of Paragraph 2 shall not apply.</u></p> <p><u>If the approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</u></p> <p><u>The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</u></p>	<p>of Directors shall take into full consideration each independent director's opinions. If an independent director expresses any assent or dissent, it shall be specifically recorded in the minutes of the Board of Directors meeting.</p>	

11. Comparative List of Amendments to the “Parliamentary Rules for Shareholders’ Meeting”

Luo Lih-Fen Holding Co., Ltd.

Comparative List of Amendments to the Parliamentary Rules for Shareholders’

Meeting

Amended provisions	Existing provisions	Notes
<p>Article 3. Convening shareholders’ meetings and shareholders’ meeting notices</p> <p>Paragraphs 1~4. Omitted</p> <p>Matters pertaining to election or discharge of directors and supervisors, alteration of the Articles of Incorporation, reduction of capital, compulsory purchase of the Company's shares and cancellation of the same under Paragraph 1 of Article 24 of the Articles of Incorporation, application for the approval of ceasing its status as a public company, <u>approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares</u>, dissolution, merger, spin-off, or any matters as set forth in Paragraph I, Article 185 of the Company Act shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions. The essential contents may be posted on the website designated by the competent authority in charge of securities affairs of the R.O.C. or the Company, and such website shall be indicated in said notice.</p> <p><u>Where the causes for convening a shareholders’ meeting have expressly specified reelection of the whole directors/supervisors and also the date of appointment, upon completion of the reelection at the given shareholders’ meeting, the date of appointment may not be changed in the form of an extemporary motion raised at the meeting or in any other manners.</u></p> <p>During the Relevant Period, a shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a motion for discussion at a general shareholders’ meeting in writing or in an electronic form. Such motion, however, shall</p>	<p>Article 3. Convening shareholders’ meetings and shareholders’ meeting notices</p> <p>Paragraphs 1~4. Omitted</p> <p>Matters pertaining to election or discharge of directors and supervisors, alteration of the Articles of Incorporation, reduction of capital, compulsory purchase of the Company's shares and cancellation of the same under Paragraph 1 of Article 24 of the Articles of Incorporation, application for the approval of ceasing its status as a public company, dissolution, merger, spin-off, or any matters as set forth in Paragraph I, Article 185 of the Company Act, <u>Article 26-1 and Article 43 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers</u> shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions. The essential contents may be posted on the website designated by the competent authority in charge of securities affairs of the R.O.C. or the Company, and such website shall be indicated in said notice.</p> <p>During the Relevant Period, a shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a motion for discussion at a general shareholders’ meeting in writing or in an electronic form. Such motion, however, shall</p>	<p>In response to the amendments to Paragraph 5 of Article 172 of the Company Act.</p>

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<p>be proposed with respect to one item only, and no motion containing more than one item will be included in the meeting agenda. In addition, unless the circumstances of any subparagraph in Paragraph 4 of Article 172-1 of the Company Act apply to a motion put forward by a shareholder, the Board of Directors shall include it into the agenda. Notwithstanding, the motion only refers to the suggestion proposed in order to urge the Company to enhance the public interest or fulfill its corporate social responsibility. Therefore, even if, the circumstances referred to in the subparagraphs in Paragraph 4 of Article 172-1 of the Company Act, the Board of Directors shall still include the motion into the agenda. During the Relevant Period, prior to the book closure date before a general shareholders' meeting is held, the Company shall publicly announce that it will receive the motions proposed by shareholders, and <u>acceptance of submission in writing or in an electronic form</u>, and the location and time period for their submission. The period for submission of shareholder proposals may not be less than 10 days.</p> <p>Omitted</p>	<p>be proposed with respect to one item only, and no motion containing more than one item will be included in the meeting agenda. In addition, unless the circumstances of any subparagraph in Paragraph 4 of Article 172-1 of the Company Act apply to a motion put forward by a shareholder, the Board of Directors shall include it into the agenda. Notwithstanding, the motion only refers to the suggestion proposed in order to urge the Company to enhance the public interest or fulfill its corporate social responsibility. Therefore, even if, the circumstances referred to in the subparagraphs in Paragraph 4 of Article 172-1 of the Company Act, the Board of Directors shall still include the motion into the agenda.</p> <p>During the Relevant Period, prior to the book closure date before a general shareholders' meeting is held, the Company shall publicly announce that it will receive the motions proposed by shareholders, and the location and time period for their submission. The period for submission of shareholder proposals may not be less than 10 days.</p> <p>Omitted</p>	
<p>Article 10. Discussion of motions</p> <p>If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The related motions (including extemporary motions or amendments to the original motions) shall be voted one by one. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.</p> <p>The provisions of the preceding paragraph apply <i>mutatis mutandis</i> to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extemporary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the parliamentary</p>	<p>Article 10. Discussion of motions</p> <p>If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.</p> <p>The provisions of the preceding paragraph apply <i>mutatis mutandis</i> to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extemporary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the parliamentary rules, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in</p>	<p>In response to the e-voting system applied by TWSE/TPEX-listed companies comprehensively since 2018, and to practice the spirit for voting by poll.</p>

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<p>rules, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.</p> <p>The chair shall allow ample opportunity during the meeting for explanation and discussion of motions and of amendments or extemporaneous motions put forward by the shareholders. When the chair is of the opinion that a motion has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote <u>and arrange sufficient hours for the voting.</u></p>	<p>accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.</p> <p>The chair shall allow ample opportunity during the meeting for explanation and discussion of motions and of amendments or extemporaneous motions put forward by the shareholders. When the chair is of the opinion that a motion has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.</p>	
<p>Article 15. Meeting minute</p> <p>Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting may be effected by means of electronic transmission.</p> <p>The Company may distribute the meeting minutes referred to in the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their <u>voting results (including statistic votes), and also disclose the number of votes won by each candidate, in the case of election of directors/supervisors.</u></p> <p>The minute shall be retained for the duration of the existence of the Company.</p>	<p>Article 15. Meeting minute</p> <p>Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting may be effected by means of electronic transmission.</p> <p>The Company may distribute the meeting minutes referred to in the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the Company.</p>	<p>Amended based on the suggestions from ACCGA in order to practice the spirit for voting by poll.</p>

