

**Stock Code: 8466**

## **M. J. International Co., Ltd.**

# 2019 Annual General Shareholders' Meeting Meeting Handbook

Date : 9:00AM on June 5, 2019 (Wednesday)

Place: 3F, No. 4, Sanmin Rd., Pili Vil., Tucheng Dist., New Taipei City

(Tucheng Industrial Park Service Center)

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THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2019 ANNUAL SHAREHOLDERS' MEETING (THE "HANDBOOK") OF M. J. INTERNATIONAL CO., LTD. (THE "COMPANY"). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE HANDBOOK SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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M.J. International Co., Ltd.

## **2019 Annual General Shareholders' Meeting**

### **Procedure**

I. Announcement of Meeting

II. Speech by Chairman

III. Report Items

IV. Ratification Items

V. Discussion Items

VI. Extraordinary Motions

VII. Adjournment of Meeting

M.J. International Co., Ltd.

**Agenda of 2019 Annual General Shareholders' Meeting**

- I. Announcement of Meeting
- II. Speech by Chairman
- III. Report Items
  1. 2018 Business Report
  2. 2018 Audit Committee's Review Report
  3. Endorsement/Guarantee and Financing
  4. Motion for Distribution of Remuneration to the Company's Directors and Employees in 2018
- IV. Ratification Items
  1. The Company's 2018 business report and consolidated financial statements
  2. Motion for distribution of 2018 earnings
- V. Discussion Items
  1. To amend the Company's Memorandum and Articles of Incorporation (Special resolution)
  2. To amend the Company's "Parliamentary Rules of Shareholders' Meetings"
  3. To amend the Company's "Regulations for Election of Directors"
  4. To amend the "Regulations Governing Acquisition or Disposition of Assets" of the Company and its subsidiaries
  5. To amend and additions the "Regulations Governing Engagement in Derivatives Trading" of the Company and its subsidiaries

6. To amend the “Regulations Governing Financing Provided to Others” and “Regulations Governing Endorsement/Guarantee” of the Company and its subsidiaries

VI. Extraordinary Motions

VII. Adjournment of Meeting

## **Report Items**

Proposed by the Board of Directors

1. 2018 Business Report

Description: For the Company's 2018 Business Report,  
Please refer to Attachment 1 (Pages 12~14).

2. 2018 Audit Committee's Review Report

Description: For the Company's 2018 Audit Committee's Review Report,  
Please refer to Attachment 2 (Page 15).

3. Endorsement/Guarantee and Financing

Description: For the Company's Endorsement/Guarantee and Financing,  
Please refer to Attachment 3 (Pages 16~19).

4. Distribution of Compensation for Company's Directors and Employees in 2018

Description: For the distribution of remuneration to the Company's directors and employees in 2018, please refer to Attachment 4 (Page 20).

## Ratification Items

Proposed by the Board of Directors

### [ Proposal 1 ]

Cause: 2018 business report and consolidated financial statements is presented for ratification.

Description: I. The Company's 2018 business report and consolidated financial statements have been reviewed by the Audit Committee and Board of Directors on March 8, 2019.

II. For the business report, consolidated financial statements, and the audit report containing unqualified opinions issued by Cheng-Chuan Yu , CPA and Keng-Hsi Chang CPA of Deloitte Taiwan, please refer to Attachment 1 (Pages 12~14) and Attachment 5 (Pages 21~33) .

III. Presented for ratification.

Resolution:

### [ Proposal 2 ]

Cause: The distribution of 2018 earnings is presented for ratification.

Description: I. The distribution of earnings is stated as following:

M.J. International Co., Ltd.  
Distribution of 2018 Earnings

	Unit: NTDS
Unappropriated earnings, beginning	<b>194,047,613</b>
Less: Amount affected due to the first-time application of IFRS	-12,798,211
Add: Current net income	310,435,516
Less: Appropriated as 10% legal reserve	-31,043,552
Less: Appropriated as special reserve pursuant to laws	-27,583,806
Earning available for distribution, ending	<b>433,057,560</b>
Items for distribution	
Cash dividends on common shares (NT\$3 per share)	-198,177,000
Unappropriated earnings, ending	<b>234,880,560</b>

According to the motion for distribution of earnings, the cash dividends distributed to each shareholder per share, NT\$3, shall be calculated until NT dollar, and rounded off below. The total of fractional cash dividends less than NT\$1 shall be transferred to the Company's other revenue.



- II. If the number of outstanding shares changes due to the buy-back of the Company's shares, or transfer and cancellation of treasury shares, the Company authorizes the Board to recalculate the dividend distribution ratio based on the number of common shares outstanding on the record date of distribution, subject to the number of earnings on common shares to be distributed subject to resolution by a shareholders' meeting.
- III. After the motion for distribution of earnings is passed by a shareholders' meeting, the record date and payment date for cash dividends shall be set separately.
- IV. Presented for ratification.

Resolution:

## **Discussion Items**

Proposed by the Board of Directors

### [ Proposal 1 ]

Cause: To amend the Company's Memorandum and Articles of Incorporation (Special resolution)

Description: I. In response to the amendments to the "Checklist for Protection of Shareholders' Equity in Country Where the Foreign Issuer is Registered" required by TWSE's public notice under Tai-Zheng-Shang-2-Zi No. 1071703794 dated November 30, 2018, the Company plans to amend its Memorandum and Articles of Incorporation. For related information, please refer to Attachment 6 (Pages 34~58).  
II. Presented for discussion.

Resolution:

### [ Proposal 2 ]

Cause: To amend the Company's "Rules of and Procedures of Shareholders' Meeting"

Description: I. In response to the amendments to the "Checklist for Protection of Shareholders' Equity in Country Where the Foreign Issuer is Registered" required by TWSE's public notice under Tai-Zheng-Shang-2-Zi No. 1071703794 dated November 30, and Procedures 2018, the Company plans to amend its Rules and Procedures of Shareholders' Meeting. For related information, please refer to Attachment 7 (Pages 59~62).  
II. Presented for discussion.

Resolution:

### [ Proposal 3 ]

Cause: To amend the Company's "Regulations for Election of Directors"

Description: I. In response to the amendments to the "Checklist for Protection of Shareholders' Equity in Country Where the Foreign Issuer is Registered" required by TWSE's public notice under Tai-Zheng-Shang-2-Zi No. 1071703794 dated November 30, 2018, the Company plans to amend its Regulations for Election of Directors. For related information, please refer to Attachment 8(Pages 63).  
II. Presented for discussion.

Resolution:

[ Proposal 4 ]

Cause: To amend the “Regulations Governing Acquisition or Disposition of Assets” of the Company and its subsidiaries

Description: I. In response to the amended Regulations Governing the Acquisition and Disposition of Assets by Public Companies promulgated by FSC via its letter under Jin-Guan-Zheng-Fa-Zi No. 1070341072 dated November 26, 2018, the Company plans to amend the Regulations Governing Acquisition or Disposition of Assets of the Company and its subsidiaries. For related information, please refer to Attachment 9 (Pages 64~80).  
II. Presented for discussion.

Resolution:

[ Proposal 5 ]

Cause: To amend and propose to the “Regulations Governing Engagement in Derivatives Trading” of the Company and its subsidiaries

Description: I. For actual needs, the Company plans to amend the “Regulations Governing Engagement in Derivatives Trading” of its subsidiary, OPULENT INTERNATIONAL GROUP LIMITED, and the subsidiary’s branch companies, and also to establish and amend the regulations governing engagement in derivatives trading of the Company’s indirect subsidiaries, Dongguan Prolong Plastic Products Co., Ltd. and Dongguan MeiJer Plastic Products Co., Ltd.. For related information, please refer to Attachment 10(Pages 81~103).  
II. Presented for discussion.

Resolution:

[ Proposal 6 ]

Cause: To amend the “Regulations Governing Financing Provided to Others” and “Regulations Governing Endorsement/Guarantee” of the Company and its subsidiaries

Description: I. In response to the amended Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies promulgated by FSC via its letter under Jin-Guan-Zheng-Shen-Zi No. 1080304826 dated March 7, 2019, the Company plans to amend the “Regulations Governing Financing Provided to Others” and “Regulations Governing Endorsement/Guarantee” of the Company and its

subsidiaries. For related information, please refer to Attachment 11 (Pages 104~111).

II. Presented for discussion.

Resolution:

## **Extemporary Motions**

## **Adjournment of Meeting**

## M.J. International Co., Ltd.

### Business Report

#### I. Overview

The Company's annual consolidated revenue was NT\$2.979 billion in 2018, a decline of 19.13% from 2017. In consideration of the impact brought by the inventory adjustment for the customer in Europe, the proportion of the Company's revenue by region in Europe declined by 50.10% in 2018, while the proportion of revenue from all own brand region of China grew from 6.16% in 2017 to 11.31% and that from partial own brand region of Taiwan to 7.17%. As a result, its annual consolidated revenue came to NT\$2.979 billion, decreasing by 19.13% from 2017.

#### II. The business plan implementation results compared with that in 2017:

The revenue referred to in the 2018 consolidated financial statements was NT\$2,979,348 thousand, and the cost of goods sold NT\$2,333,872 thousand, gross profit NT\$645,476 thousand, gross profit margin 21.67%, net income after tax NT\$310,436 thousand, and net income margin 10.42%, compared with those in 2017 as following:

Unit: NTD Thousand

Item	2018	2017	Amount of increase (decrease)	Increase (decrease)
Revenue	2,979,348	3,684,253	(704,905)	(19.13%)
Cost of goods sold	2,333,872	2,753,113	(419,241)	(15.23%)
Gross profit	645,476	931,140	(285,664)	(30.68%)
Net income after tax	310,436	494,717	(184,281)	(37.25%)

In terms of the sale region performance in 2018, the MJ's sales in Europe is still the major proportion of revenue. Notwithstanding, in consideration of the impact brought by the inventory adjustment for the customers in Europe at the beginning of the year, the sales in Europe declined until 50.10% in 2018. Notwithstanding, the revenue has been

growing quarter by quarter since the middle of the year after purchase orders placed by customers were recovering. The Company's sales grew more rapidly in the markets of China and Taiwan in 2018, as the sales of all own brand products region of China grew from 6.16% in 2017 to 11.31% and partial own brand products of Taiwan also grew to 7.17% .

For the gross profit margin, the decline in revenue and decrease in the manufacturing expense allocation basis resulted in the decrease in the gross profit margin. The US dollar exchange rate rally, upgrading of the yield by the Company's improvement of production process and increase in the percentage of sales under own brand only helped mitigate the decline of the gross profit margin in some way. As a result, the annual gross profit margin declined until 21.67%.

#### **IV. Analysis on profitability**

The revenue decreased by NT\$704,905 thousand in 2018 from 2017. The gross profit margin for the core business decreased from 25.27% in 2017 to 21.677%. The US dollar exchange rate rally resulted in the increase in the exchange gains. Despite the deferred income tax effects of the earnings of subsidiary, the net income after tax decreased slightly and came to NT\$310,436 thousand. The net income margin was 10.42%, less than that in 2017.

#### **V. Status of Research & Development**

The Company is one of the leading manufacturers engaged in the production of plastic floors in the world. The Company valued both R&D and quality, and its production method may satisfy the customers' diversified needs for exquisite and highly-efficient products. The Company owns more than 20 patents on plastic floors and is used to identifying R&D and quality as the first priority. In 2018, the Company released multiple new products, such as magnetic wall materials, round-corner floor tiles, flexible floor tiles and SPC stone plastic floors, which helped expand the Company's business and upgrade the Company's earnings. This year, the Company will release such new products as flame-resistant high-viscosity adhesive wall materials and glue-free slip-resistant floor tiles. By introducing the new products to snatch new markets and develop new customers, the Company's sales are expected to be benefited therefor this year.

## **VI. Outlook**

Looking forward to 2019, the Company keeps its optimistic outlook. Considering that the purchase orders are recovering after the inventory adjustments for customers in Europe ended, the Company will aim to keep developing sales channels and seek cross-industry alliance to expand its market share this year. Meanwhile, it will invest in mass production of the new product, SPC stone plastic floor, in order to upgrade the profit sought by products by introducing new products and expanding the sales of own brand products. The Company will continue to maintain good relationship with customers in Europe who impose strict quality requirement, and also keep developing sales channels and customers in the market of North America. The Company's own brand products have been achieving remarkable results in China and Taiwan, and the Company starts to develop the market of South East Asia, in hopes of expanding its global market share.

The Company will continue to optimize its teams and organizations, deepen the development of MJ's brand value, and continue to research and develop prospective technologies and innovative applications thereof to keep improving the Company's leading core competitiveness. Meanwhile, the Company will apply such means as merger & acquisition and cross-industry alliance and adopt the strategy focusing on "Grouping to Fight for Group Battle" to target excellent counterparts in the R&D patent and sales channels to proceed with merger and acquisition in a timely manner. With the efforts spent by all of the Company's workers, the Company's sales performance and earnings are expected to grow stably in 2019.

## Attachment 2

M. J. International Co., Ltd.

### Review Report from the Audit Committee

This report is to certify that the Company's 2018 business report, financial statements and the motion for allocation of earnings were prepared and submitted by the Company's Board of Directors, and financial statements contained therein were already audited by Deloitte Taiwan, which also issued an audit report containing unqualified opinions. The Audit Committee, after completing the review on said reports and statements prepared and submitted by the Board of Directors, believes that they are free of material misstatements and thus has submit this report according to Article 14-4 of the Securities and Exchange Act and 219 of the Company Act.

Please review accordingly.

To:

2019 Annual General Shareholders' Meeting of M. J. International Co., Ltd.

M. J. International Co., Ltd.

Chairman of Audit Committee:

Lin Chiang-Liang

March 8, 2019



### Attachment 3

#### (1) Status of financing provided to others

1. The financing provided by the subsidiary, Dongguan Prolong Plastic Products Co., Ltd., to the indirect subsidiary, Shanghai M.J. Architecture and Decoration Materials Co., Ltd., until February 28, 2019.

Date of approval by the Board of Directors	Authorized facilities	Date of financing	Amount	Nature and purpose of financing	Date of repayment	Amount of repayment
May 10, 2018	RMB 8 million	May 16, 2018	RMB 2 million	Short-term financing Working capital		
		August 15, 2018	RMB 2 million	Short-term financing Working capital		
		Sub-total of financing balance	RMB 4 million			

2. The financing provided by the subsidiary, Dongguan Prolong Plastic Products Co., Ltd., to the indirect subsidiary, Beijing M.J. Architecture and Decoration Materials Co., Ltd., until February 28, 2019.

Date of approval by the Board of Directors	Authorized facilities	Date of financing	Amount	Nature and purpose of financing	Date of repayment	Amount of repayment
July 18, 2018	RMB 4 million	July 19, 2018	RMB 2.3 million	Short-term financing Working capital		
		October 16, 2018	RMB 500,000	Short-term financing Working capital		
		Sub-total of financing balance	RMB 2.8 million			

3. The financing provided by the Company to the subsidiary, Opulent International Group Limited, until February 28, 2019.

Date of	Authorized	Date of	Amount	Nature and purpose	Date of	Amount of
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approval by the Board of Directors	facilities	financing		of financing	repayment	repayment
March 12, 2018	USD 6 million			Short-term financing Working capital		

4. The financing provided by the subsidiary, Guangzhou PROMAX Architecture and Decoration Materials Co., Ltd., to the indirect subsidiary, Shanghai M.J. Architecture and Decoration Materials Co., Ltd., until February 28, 2019.

Date of approval by the Board of Directors	Authorized facilities	Date of financing	Amount	Nature and purpose of financing	Date of repayment	Amount of repayment
May 10, 2018	RMB 10 million	May 11, 2018	RMB 10 million	Short-term financing Working capital		

5. The financing provided by the subsidiary, Dongguan MeiJer Plastic Products Co., Ltd., to the indirect subsidiary, Shanghai M.J. Architecture and Decoration Materials Co., Ltd., until February 28, 2019.

Date of approval by the Board of Directors	Authorized facilities	Date of financing	Amount	Nature and purpose of financing	Date of repayment	Amount of repayment
May 10, 2018	RMB 24 million	May 11, 2018	RMB 24 million	Short-term financing and working capital		

(2) Status of endorsement/guarantee  
Until February 28, 2019

Bank	Promissory note/joint guarantee		
	Amount	Co-drawer	Guaranteed party
CTBC Bank (Taipei)	TWD 180 million	M.J. International Co., Ltd. OPULENT INTERNATIONAL GROUP LIMITED	OPULENT INTERNATIONAL GROUP LIMITED
CTBC Bank (Hong Kong)	USD 8 million	M.J. International Co., Ltd. Opulent International Group Limited.	Opulent International Group Limited.

Standard Chartered	USD 11 million	M.J. International Co., Ltd. Opulent International Group Limited. OPULENT INTERNATIONAL GROUP LIMITED	Opulent International Group Limited. OPULENT INTERNATIONAL GROUP LIMITED
Citi Bank Taiwan	USD 29.5 million	M.J. International Co., Ltd. Opulent International Group Limited. OPULENT INTERNATIONAL GROUP LIMITED	Opulent International Group Limited. OPULENT INTERNATIONAL GROUP LIMITED
Taipei Fubon Bank (Hong Kong)	USD 3 million	M.J. International Co., Ltd.	Opulent International Group Limited.
Taipei Fubon Bank (Taipei)	TWD 60 million	M.J. International Co., Ltd. OPULENT INTERNATIONAL GROUP LIMITED	OPULENT INTERNATIONAL GROUP LIMITED

### (3) Status of derivatives trading

The details about forward foreign exchanges until February 28, 2019 are stated as follows:

Trading Date	Bank	Foreign exchange rate (USD/CNH)	Amount	Settlement Date	Delivery (USD)
November 9, 2018	Citi Bank	6.9425	¥14,000,000.-	November 26, 2018	US\$2,016,129.03
November 30, 2018	Citi Bank	6.9395	¥10,409,250.-	December 24, 2018	US\$1,500,000.00
November 30, 2018	Citi Bank	6.9454	¥17,363,500.-	January 24, 2019	US\$2,500,000.00
December 28, 2018	Citi Bank	6.8700	¥6,870,000.-	January 3, 2019	US\$1,000,000.00
January 8, 2019	Citi Bank	6.8600	¥9,000,000.-	January 9, 2019	US\$1,311,953.35
January 30, 2019	Citi Bank	6.7313	¥7,500,000.-	February 1, 2019	US\$1,114,197.85
January 30, 2019	Citi Bank	6.7290	¥21,000,000.-	February 26, 2019	US\$3,120,820.33
January 30, 2019	Standard Chartered	6.7290	¥16,000,000.-	February 22, 2019	US\$2,377,767.87
January 30, 2019	Standard Chartered	6.7286	¥8,074,320.-	March 12, 2019	US\$1,200,000.00
January 30, 2019	Standard	6.7290	¥8,074,800.-	April 11,	US\$1,200,000.00

2019	Chartered			2019	
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Financial Vice President:  
Liu Chiao-Lu

Financial Manager:  
James Yang

Prepared by:  
Karen Yeh

## Attachment 4

The remuneration paid to employees and directors pursuant to Article 100(2) of the amended Articles of Incorporation is stated as follows:

(I) Bonus to employees: NT\$18,319,010 in cash.

(II) Remuneration to directors: NT\$15,266,936 in cash. Please refer to the following details:

Job Rank	Name	Remuneration
Chairman of Board	Black Dragon Assets Limited (Representative: Chen Pen-Yuan)	NT\$4,846,647
Director	Crown Harvest Company Limited (Representative: Chen Chien-Yuan)	NT\$2,423,323
Director	Chairman Management Corp. (Representative: Kao Chen-Sheng)	NT\$2,423,323
Director	Lin An-Hsiu	NT\$2,423,323
Director	Hsieh Ming-Feng	NT\$2,423,323
Director	Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account (Representative: Ho Ping-Hsien)	NT\$726,997

**\*Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account was elected on September 5, 2018.**

Attachment 5

M. J. International Co., Ltd. And  
Subsidiaries

Consolidated Financial Statements for the  
Years Ended December 31, 2018 and 2017  
and Independent Auditors' Report

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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 TRANSLATED FROM CHINESE

The Board of Directors and Shareholders  
M. J. International Co., Ltd.

### **Opinion**

We have audited the accompanying consolidated financial statements of M. J. International Co., Ltd. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors'

Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 for the year ended December 31, 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the audit of the Group's consolidated financial statements for the year ended December 31, 2018 are stated below:

The operating revenue was \$2,979,348 thousand for the year of 2018; while the revenue from the single customer accounted for approximately 33% of the total consolidated operating revenue. Therefore, we deemed the occurrence of sales to that specific customer particularly as a key audit matter. Please refer to Note 4(12) to the consolidated financial statements for the revenue recognition accounting policy.

In response, we performed the following audit procedures:

1. Through understanding the design and implementation of the internal control over sales and collection cycle, we accordingly designed audit procedures on the internal control over sales and collection cycle, in order to confirm and evaluate the effectiveness of the Group's internal control over sales and collection cycle.
2. We selected appropriate samples from the sales transactions with the above-mentioned customer; reviewed shipment orders, invoices, bill of lading, and other customs documents; and verified remittance counterparties



and cash receipts process, in order to confirm the occurrence of sales. We also reviewed sales returns and allowances occurred with the above-mentioned customer after the date of December 31, 2018.

### **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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 auditors' 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 the auditing standards generally accepted in the Republic of China 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 the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatements 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 auditors' 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

auditors' 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 and appropriate audit evidence regarding the financial information of 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2018 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Cheng-Chuan Yu and Keng- Hsi Chang.

Deloitte & Touche

Taipei, Taiwan

Republic of China

March 8,2019

**M. J. International Co., Ltd. and subsidiaries**

**CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2018 AND 2017**

(In Thousands of New Taiwan Dollars)

Assets	December 31, 2018		December 31, 2017	
	Amount	%	Amount	%
<b>Current assets</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 666,079	18	\$ 539,870	14
Financial assets at fair value through profit or loss (Notes 4 and 7)	58,469	2	74,828	2
Financial assets at fair value through other comprehensive income - current (Notes 4, 5, 8, 9 and 31)	429,183	11	-	-
Available-for-sale financial assets - current (Notes 4, 10 and 31)	-	-	692,603	18
Notes receivable (Notes 4, 5, 11 and 22)	9,003	-	7,117	-
Notes receivable - related parties (Notes 4, 5, 22 and 30)	425	-	17,434	-
Trade receivables (Notes 4, 5, 11 and 22)	922,870	25	998,177	25
Trade receivables - related parties (Notes 4, 5, 22 and 30)	37,136	1	26,055	1
Other receivables (Notes 4 and 11)	34,931	1	27,882	1
Inventories (Notes 4 and 12)	356,631	9	277,709	7
Other financial assets - current (Notes 4 and 17)	-	-	75,149	2
Other current assets - others (Notes 16 and 17)	89,580	2	46,570	1
Total current assets	<u>2,604,307</u>	<u>69</u>	<u>2,783,394</u>	<u>71</u>
<b>Non-current assets</b>				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 5, 8 and 9)	26,612	1	-	-
Property, plant and equipment (Notes 4 and 14)	989,331	26	736,178	19
Other intangible assets (Notes 4 and 15)	2,416	-	4,435	-
Deferred income assets (Notes 4 and 24)	4,036	-	3,632	-
Long-term prepayments for leases (Note 16)	54,761	2	57,143	1
Other non-current assets (Notes 4, 17 and 31)	87,398	2	336,775	9
Total non-current assets	<u>1,164,554</u>	<u>31</u>	<u>1,138,163</u>	<u>29</u>
<b>Total assets</b>	<u>\$ 3,768,861</u>	<u>100</u>	<u>\$ 3,921,557</u>	<u>100</u>
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Short-term borrowings (Notes 18 and 31)	\$ 474,000	13	\$ 608,000	15
Financial liabilities at fair value through profit or loss (Notes 4 and 7)	4	-	-	-
Contract liabilities - current (Notes 4 and 22)	31,588	1	-	-
Trade payables	465,965	12	327,048	8
Other payables (Notes 4, 19 and 26)	268,985	7	230,206	6
Current tax liabilities (Notes 4 and 24)	18,363	1	30,205	1
Provisions - current (Notes 4 and 20)	16,219	-	18,360	-
Other current liabilities (Note 19)	2,121	-	21,252	1
Total current liabilities	<u>1,277,245</u>	<u>34</u>	<u>1,235,071</u>	<u>31</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities (Notes 4 and 24)	54,506	1	116,142	3
Total non-current liabilities	<u>54,506</u>	<u>1</u>	<u>116,142</u>	<u>3</u>
<b>Total liabilities</b>	<u>1,331,751</u>	<u>35</u>	<u>1,351,213</u>	<u>34</u>
<b>Equity attributable to owners of the company (Note 21)</b>				
Share capital				
Ordinary shares	660,590	18	660,590	17
Capital surplus	1,205,967	32	1,205,967	31
Retained earnings				
Legal reserve	106,452	3	56,980	1
Special reserve	52,462	1	-	-
Unappropriated earnings	491,685	13	692,335	18
Total retained earnings	650,599	17	749,315	19
Other equity	(80,046)	(2)	(45,528)	(1)
Total equity attributable to owners of the company	<u>2,437,110</u>	<u>65</u>	<u>2,570,344</u>	<u>66</u>
<b>Total equity</b>	<u>2,437,110</u>	<u>65</u>	<u>2,570,344</u>	<u>66</u>
<b>Total liabilities and equity</b>	<u>\$ 3,768,861</u>	<u>100</u>	<u>\$ 3,921,557</u>	<u>100</u>

Notes to the consolidated financial statements constitute a part of the consolidated financial statements.

Chairman: Chen Pen-Yuan

Manager: Chiang Tzu-Hua

Chief Accountant: Liu Chao-Lu

## M. J. International Co., Ltd. and subsidiaries

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 30)				
Sales	\$ 2,979,348	100	\$ 3,684,253	100
OPERATING COSTS ( Notes 12 and 23)				
Cost of goods sold	( 2,333,872 )	( 78 )	( 2,753,113 )	( 75 )
GROSS PROFIT	<u>645,476</u>	<u>22</u>	<u>931,140</u>	<u>25</u>
OPERATING EXPENSES (Note 23)				
Selling and marketing expenses	( 223,915 )	( 8 )	( 216,034 )	( 6 )
General and administrative expenses	( 154,740 )	( 5 )	( 158,420 )	( 4 )
Research and development expenses	( 8,642 )	-	( 13,552 )	-
Total operating expenses	( 387,297 )	( 13 )	( 388,006 )	( 10 )
Operating profit	<u>258,179</u>	<u>9</u>	<u>543,134</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 4 and 23)	45,320	1	29,934	1
Other gains and losses (Notes 4 and 23)	16,338	1	( 54,000 )	( 2 )
Financial costs (Notes 4 and 23)	( 5,134 )	-	( 2,468 )	-
Total non-operating income and expenses	<u>56,524</u>	<u>2</u>	<u>( 26,534 )</u>	<u>( 1 )</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	314,703	11	516,600	14
INCOME TAX EXPENSE (Notes 4 and 24)	( 4,267 )	-	( 21,883 )	( 1 )
NET PROFIT FOR THE YEAR	<u>310,436</u>	<u>11</u>	<u>494,717</u>	<u>13</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4 and 21)				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	( 208 )	-	( 92,200 )	( 2 )
Unrealized gain/(loss) on available-for-sale financial assets	-	-	6,934	-
Unrealized loss on investments in debt instruments at fair value through other comprehensive income	( 47,108 )	( 2 )	-	-
Other comprehensive income for the year, net of income tax	( 47,316 )	( 2 )	( 85,266 )	( 2 )
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u>\$ 263,120</u>	<u>9</u>	<u>\$ 409,451</u>	<u>11</u>
EARNINGS PER SHARE (Note 25)				
From continuing operations				
Basic	<u>\$ 4.70</u>		<u>\$ 7.49</u>	
Diluted	<u>\$ 4.67</u>		<u>\$ 7.46</u>	
Other comprehensive income/(loss) for the year, net of income tax				

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

Chairman: Chen Pen-Yuan Manager: Chiang Tzu-Hua Chief Accountant: Liu Chao-Lu

M. J. International Co., Ltd. and subsidiaries  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017  
(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of the company					Other equity			Total equity
	Share capital	Capital surplus	Retained earnings			Exchange differences translating the financial statements of foreign operations	Unrealized gains (loss) on available-for-sale financial assets	Unrealized gains (loss) on financial assets at fair value through other comprehensive income	
			Legal reserve	Special reserve	Unappropriated earnings				
BALANCE AT JANUARY 31, 2017	\$ 660,590	\$ 1,205,967	\$ -	\$ -	\$ 717,011	\$ 39,738	\$ -	\$ -	\$ 2,623,306
Appropriation of 2016 earnings (Note 21)									
Legal reserve	-	-	56,980	-	( 56,980)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	( 462,413)	-	-	-	( 462,413)
Net profit for the year ended December 31, 2017	-	-	-	-	494,717	-	-	-	494,717
Other comprehensive income/(loss) for the year ended December 31, 2017, net of income tax (Note 21)	-	-	-	-	-	( 92,200)	6,934	-	( 85,266)
Total comprehensive income/(loss) for the year ended December 31, 2017	-	-	-	-	494,717	( 92,200)	6,934	-	409,451
BALANCE AT DECEMBER 31, 2017	660,590	1,205,967	56,980	-	692,335	( 52,462)	6,934	-	2,570,344
Effect of retrospective application and retrospective restatement (Notes 3 and 21)	-	-	-	-	( 12,798)	-	( 6,934)	19,732	-
BALANCE AT JANUARY 1, 2018 AS RESTATED	660,590	1,205,967	56,980	-	679,537	( 52,462)	-	19,732	2,570,344
Appropriation of 2017 earnings (Note 21)									
Legal reserve	-	-	49,472	-	( 49,472)	-	-	-	-
Special reserve	-	-	-	52,462	( 52,462)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	( 396,354)	-	-	-	( 396,354)
Net profit for the year ended December 31, 2018	-	-	-	-	310,436	-	-	-	310,436
Other comprehensive (loss) for the year ended December 31, 2018, net of income tax (Note 21)	-	-	-	-	-	( 208)	-	( 47,108)	( 47,316)
Total comprehensive (loss) for the year ended December 31, 2018	-	-	-	-	310,436	( 208)	-	( 47,108)	263,120
BALANCE AT DECEMBER 31, 2018	\$ 660,590	\$ 1,205,967	\$ 106,452	\$ 52,462	\$ 491,685	( \$ 52,670)	\$ -	( \$ 27,376)	\$ 2,437,110

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

Chairman: Chen Pen-Yuan

Manager: Chiang Tzu-Hua

Chief Accountant: Liu Chao-Lu

M. J. International Co., Ltd. and subsidiaries  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017  
(In Thousands of New Taiwan Dollars)

	2018	2017
Net cash flow from operating activities		
Income before income tax	\$ 314,703	\$ 516,600
Adjustments for:		
Impairment loss recognized on trade receivables	-	189
Depreciation expenses	104,929	74,133
Amortization expenses	2,644	1,304
Amortization of prepayments for leases	1,416	1,399
Financial costs	5,134	2,468
Interest income	( 39,956)	( 25,350)
Write-downs of inventories	7,881	4,496
(Gain) loss on disposal of property, plant and equipment	91	( 1,736)
Net (gain) on fair value changes of financial assets designated as at fair value through profit or loss	( 116)	( 661)
Net loss on disposal of available-for-sale financial assets	11,192	-
Net (gain) loss on foreign currency exchange	( 8,131)	38,153
Changes in operating assets and liabilities		
(Increase) decrease in financial assets mandatorily classified as at fair value through profit or loss	646	( 75,856)
Notes receivable	( 1,886)	( 2,310)
Notes receivable - related parties	17,009	( 8,651)
Trade receivables	104,258	( 129,912)
Trade receivables - related parties	( 11,081)	( 10,754)
Other receivables	( 7,967)	6,118
Inventories	( 91,421)	( 16,451)
Other current assets	( 42,296)	53,674
Contract liabilities	9,277	-
Trade payables	142,802	( 185,697)
Other payables	39,351	( 44,537)
Provisions	( 1,636)	( 2,720)
Other current liabilities	996	4,775



Cash generated from operations	557,839	198,674
Interest paid	( 5,134)	( 2,468)
Interest received	10,966	7,101
Income tax paid	( 78,112)	( 124,747)
Net cash generated from operating activities	<u>485,559</u>	<u>78,560</u>
	<u>2018</u>	<u>2017</u>
Cash flows from investing activities		
Acquisition of financial assets at fair value through other comprehensive income	( 27,384)	-
Acquisition of available-for-sale financial assets	-	( 701,309)
Acquisition of financial assets at fair value through profit or loss	( 62,625)	-
Proceeds from the disposal of financial assets at fair value through other comprehensive income	222,320	-
Proceeds from the disposal of financial assets at fair value through profit or loss	77,351	-
Interest received	29,433	9,947
Acquisition of property, plant and equipment	( 80,660)	( 76,732)
Acquisition of intangible assets	( 549)	( 3,757)
Proceeds from disposition of property, plant and equipment	262	2,632
Increase in refundable deposit	( 1,000)	-
Decrease in other financial assets	76,542	24,780
Increase in other non-current assets	( 47,084)	( 297,350)
Net cash used in investing activities	<u>186,606</u>	<u>( 1,041,789)</u>
Cash flows from financing activities		
Proceeds from short-term borrowings	-	621,729
Repayments of short-term borrowings	( 147,786)	-
Cash dividends	( 396,354)	( 462,413)
Net cash used in financing activities	<u>( 544,140)</u>	<u>159,316</u>
Effects of exchange rate changes on the balance of cash held in foreign currencies	( 1,816)	( 62,444)
Net increase (decrease) in cash and cash equivalents	126,209	( 866,357)

Cash and cash equivalents at the beginning of the year	<u>539,870</u>	<u>1,406,227</u>
Cash and cash equivalents at the end of the year	<u>\$ 666,079</u>	<u>\$ 539,870</u>

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

Chairman: Chen Pen-Yuan      Manager: Chiang Tzu-Hua      Chief Accountant: Liu Chao-Lu

Attachment 6

**M.J. International Co., Ltd.**  
**美喆國際股份有限公司**  
**Comparison Table for MEMORANDUM OF ASSOCIATION**  
**組織備忘錄修正對照表**

No. 條次	Current Provisions 現行條文	Proposed Amendments 修正條文草案	Explanations 修正理由
Article 7	Added.	<p><b><u>When conducting business, the Company shall comply with the laws and regulations as well as business ethics, and may take actions that will promote public interests in order to fulfil its social responsibilities.</u></b></p> <p><u>本公司經營業務，應遵守法令及商業倫理規範，得採行增進公共利益之行為，以善盡社會責任。</u></p>	<p>In response to the amendments to the “Checklist for Protection of Shareholders’ Equity in Country Where the Foreign Issuer is Registered” via TWSE’s public notice under Tai-Zheng-Shang -2-Zi No. 10717037941 dated November 30, 2018, the Company adds Article 7 into its Memorandum and Articles of Incorporation, and the subsequent article number is deferred in turn.</p>

## 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				
Article 2	(1) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires:...	(1) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires:...	Adjust the text literally for avoidance of doubt in accordance with Taiwan's laws and regulations. Meanwhile, unify the coding arrangement herein, and skip explanation about the other adjustments or corrections of coding arrangement item by item.				
	<table border="1"> <tr> <td data-bbox="371 549 584 874">Capital Reserve 資本公積</td> <td data-bbox="584 549 1104 874">means (1) the Share Premium Account, (2) income from endowments received by the Company and (3) other items required to be treated as <b>Capital Reserve</b> pursuant to the Applicable Listing Rules;  係指(1)股份溢價帳戶、(2)受領贈與之所得，以及(3)其他依上市（櫃）規範所定之資本公積項目；</td> </tr> </table>	Capital Reserve 資本公積		means (1) the Share Premium Account, (2) income from endowments received by the Company and (3) other items required to be treated as <b>Capital Reserve</b> pursuant to the Applicable Listing Rules;  係指(1)股份溢價帳戶、(2)受領贈與之所得，以及(3)其他依上市（櫃）規範所定之資本公積項目；	<table border="1"> <tr> <td data-bbox="1126 507 1350 938">Capital Reserve 資本公積</td> <td data-bbox="1350 507 1859 938">means (1) the Share Premium Account, (2) income from endowments received by the Company and (3) other items required to be treated as <b>capital reserve</b> pursuant to the Applicable Listing Rules <b>or generally accepted accounting principles</b>;  係指(1)股份溢價帳戶、(2)受領贈與之所得，以及(3)其他依上市（櫃）規範或一般公認會計準則認定之資本公積項目；</td> </tr> </table>	Capital Reserve 資本公積	means (1) the Share Premium Account, (2) income from endowments received by the Company and (3) other items required to be treated as <b>capital reserve</b> pursuant to the Applicable Listing Rules <b>or generally accepted accounting principles</b> ;  係指(1)股份溢價帳戶、(2)受領贈與之所得，以及(3)其他依上市（櫃）規範或一般公認會計準則認定之資本公積項目；
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	Capital Reserve 資本公積	means (1) the Share Premium Account, (2) income from endowments received by the Company and (3) other items required to be treated as <b>capital reserve</b> pursuant to the Applicable Listing Rules <b>or generally accepted accounting principles</b> ;  係指(1)股份溢價帳戶、(2)受領贈與之所得，以及(3)其他依上市（櫃）規範或一般公認會計準則認定之資本公積項目；					
<table border="1"> <tr> <td data-bbox="371 874 584 986">Discount Transfer 折價轉讓</td> <td data-bbox="584 874 1104 986">has the meaning set out in Article 23(4); 依本章程第 23 條第(4)項之定義；</td> </tr> </table>	Discount Transfer 折價轉讓	has the meaning set out in Article 23(4); 依本章程第 23 條第(4)項之定義；	<table border="1"> <tr> <td data-bbox="1126 938 1350 1050">Discount Transfer 折價轉讓</td> <td data-bbox="1350 938 1859 1050">has the meaning set out in <b>Paragraph (4) of</b> Article 23; 依本章程第 23 條第(4)項之定義；</td> </tr> </table>	Discount Transfer 折價轉讓	has the meaning set out in <b>Paragraph (4) of</b> Article 23; 依本章程第 23 條第(4)項之定義；		
Discount Transfer 折價轉讓	has the meaning set out in Article 23(4); 依本章程第 23 條第(4)項之定義；						
Discount Transfer 折價轉讓	has the meaning set out in <b>Paragraph (4) of</b> Article 23; 依本章程第 23 條第(4)項之定義；						
<table border="1"> <tr> <td data-bbox="371 986 584 1388">Spin-off 分割</td> <td data-bbox="584 986 1104 1388">an act wherein a transferor company transfers all of its independently operated business or any <b>single independently operated business</b> to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to <b>issue new</b> shares to the transferor company or to shareholders of the transferor company;</td> </tr> </table>	Spin-off 分割	an act wherein a transferor company transfers all of its independently operated business or any <b>single independently operated business</b> to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to <b>issue new</b> shares to the transferor company or to shareholders of the transferor company;	<table border="1"> <tr> <td data-bbox="1126 1050 1350 1388">Spin-off 分割</td> <td data-bbox="1350 1050 1859 1388">an act wherein a transferor company transfers all of its independently operated business or any <b>part of it</b> to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to <b>give</b> shares, <b>cash or other assets</b> to the transferor company or to shareholders of the transferor company;</td> </tr> </table>	Spin-off 分割	an act wherein a transferor company transfers all of its independently operated business or any <b>part of it</b> to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to <b>give</b> shares, <b>cash or other assets</b> to the transferor company or to shareholders of the transferor company;		
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		<p>讓與公司將其全部或一部獨立營運之業務讓與一既存公司或新設公司，而受讓之既存或新設公司發行新股給讓與公司或其股東之行為；</p>		<p>讓與公司將其全部或一部獨立營運之業務讓與一既存公司或新設公司，而受讓之既存或新設公司交付股份、現金或其他財產予讓與公司或其股東作為對價之行為；</p>	
	<p>Subordinate Company 從屬公司</p>	<p>any company <b>(i)</b> of which a majority of the total outstanding voting shares or the total amount of the capital stock is held by the Company; <b>(ii)</b> in which the Company has a direct or indirect control over the management of the personnel, financial or business operation of that company; <b>(iii)</b> of which a majority of directors in such company are contemporarily acting as directors in the Company; or <b>(iv)</b> of which a majority of the total outstanding voting shares or the total amount of the capital stock of such companies and that of the Company are held by the same Members;</p> <p>指<b>(i)</b>公司已發行有表決權之股份總數或資本總額過半數為本公司所持有之該公司；<b>(ii)</b>其人事、財務或業務經營受本公司直接或間接控制之公司；<b>(iii)</b>其董事與本公司之董事有半數以上相同之公司；或<b>(iv)</b>公司已發行有表決權之股份總數或資本總額與本公司已發行有表決權之股份總數有半數以上為相同之股東持有或出資之該公司；</p>	<p>Subordinate Company 從屬公司</p>	<p>any company <b>(a)</b> of which a majority of the total outstanding voting shares or the total amount of the capital stock is held by the Company; <b>(b)</b> in which the Company has a direct or indirect control over the management of the personnel, financial or business operation of that company; <b>(c)</b> of which a majority of directors in such company are contemporarily acting as directors in the Company; or <b>(d)</b> of which a majority of the total outstanding voting shares or the total amount of the capital stock of such companies and that of the Company are held by the same Members;</p> <p>指<b>(a)</b>公司已發行有表決權之股份總數或資本總額過半數為本公司所持有之該公司；<b>(b)</b>其人事、財務或業務經營受本公司直接或間接控制之公司；<b>(c)</b>其董事與本公司之董事有半數以上相同之公司；或<b>(d)</b>公司已發行有表決權之股份總數或資本總額與本公司已發行有表決權之股份總數有半數以上為相同之股東持有或出資之該公司；</p>	
<p>Article 7</p>	<p>新增第 4 項。</p>	<p><b><u>(4) The Company shall neither issue Shares without par value nor convert its Shares from Shares with par value to Shares without par value.</u></b></p>	<p>In response to the amendments to the “Checklist for</p>		

		<u>(4)本公司不得發行無面額股份，或將票面金額股份轉換為無面額股份。</u>	Protection of Shareholders' Equity in Country Where the Foreign Issuer is Registered" required by TWSE's public notice under Tai-Zheng-Shang-2-Zi No. 1071703794 dated November 30, 2018 (hereinafter referred to as the "Checklist for Protection of Shareholders' Equity dated November 30, 2018"), the Company adds Paragraph 4 of Article 7 herein.
Article 8	During the Relevant Period:... (b) where the Company issues new Shares for cash consideration, after the Board reserving certain percentage of the new Shares for subscription by the Employees pursuant to subsection (a) of this Article, the Company shall allocate ten percent (10%) (or such greater percentage as the Company by an Ordinary Resolution determines) of the total number of the new Shares to be issued for offering in the R.O.C. to the public unless the Commission, the Emerging Market, the TPEx and/or the TWSE (where applicable) considers such public offering unnecessary or inappropriate.	During the Relevant Period:... (b) where the Company issues new Shares for cash consideration, after the Board reserving certain percentage of the new Shares for subscription by the Employees pursuant to subsection (a) of this Article, the Company shall allocate ten percent (10%) (or such greater percentage as the Company by an Ordinary Resolution determines) of the total number of the new Shares to be issued for offering in the R.O.C. to the public unless <u>(i)</u> the Commission, the Emerging Market, the TPEx and/or the TWSE (where applicable) considers such public offering unnecessary or inappropriate <u>or (ii) the Applicable</u>	Adjust the expressions for avoidance of doubt in accordance with Taiwan's laws and regulations.

		<b><u>Listing Rules provide otherwise.</u></b>	
	<p>於掛牌期間：...</p> <p>(b) 以現金增資發行新股時，董事會依前項保留股份予員工優先承購後，除金管會、興櫃市場、櫃買中心及（或）證交所（如適用）認為無須或不適宜對外公開發行者外，本公司應提撥發行新股總額百分之十（或依股東會普通決議決定之較高比例），在中華民國境內對外公開發行。</p>	<p>於掛牌期間：...</p> <p>(b) 以現金增資發行新股時，董事會依前項保留股份予員工優先承購後，除<b>(i)</b>金管會、興櫃市場、櫃買中心及（或）證交所（如適用）認為無須或不適宜對外公開發行，<b>或(ii)上市（櫃）規範另有規定者</b>外，本公司應提撥發行新股總額百分之十（或依股東會普通決議決定之較高比例），在中華民國境內對外公開發行。</p>	
Article 18	<p>Subject to the Law, the Board shall cause to be kept the Register at such place within or outside the Cayman Islands as it deems fit. During the Relevant Period, the Register shall be entered therein the particulars required under the Law and the Applicable Listing Rules, and shall be made available at its Shareholder Service Agent’s office in the R.O.C.</p> <p>董事會應依開曼法令於英屬開曼群島境內或境外之適當處所備置股東名簿。於掛牌期間，股東名簿應具備開曼法令及上市（櫃）規範所定應記載事項，並應備置於中華民國境內之股務代理機構。</p>	<p>Subject to the Law, the Board shall cause to be kept the Register at such place within or outside the Cayman Islands as it deems fit. During the Relevant Period, the Register shall be entered therein the particulars required under the Law and the Applicable Listing Rules, and shall be made available at its Shareholder Service Agent’s office in the R.O.C. <b><u>The Board or any other authorized conveners of general meetings of the Company may request that the Company or the Company’s Shareholder Service Agent provide a copy of the Register for inspection.</u></b></p> <p>董事會應依開曼法令於英屬開曼群島境內或境外之適當處所備置股東名簿。於掛牌期間，股東名簿應具備開曼法令及上市（櫃）規範所定應記載事項，並應備置於中華民國境內之股務代理機構。<b><u>董事會或其他召集權人召集股東會者，得請求本公司或本公司之股務代理機構提供股東名簿。</u></b></p>	In response to the Checklist for Protection of Shareholders’ Equity dated November 30, 2018, the Company adds the requirements referred to in the second half of Article 18 herein.
Article 27	<p>Except as required by Law, no person shall be recognised by the Company as holding any Share upon any trust, and the Company shall not, unless required by Law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or actual</p>	<p>Except as required by Law <b><u>or the Applicable Listing Rules</u></b>, no person shall be recognised by the Company as holding any Share upon any trust, and the Company shall not, unless required by Law <b><u>or the Applicable Listing Rules</u></b>, be bound by or be compelled in any way to recognise (even when</p>	Adjust the expressions for avoidance of doubt.

	<p>interest in any Share (except only as otherwise provided by these Articles, the Law or <b>law</b> otherwise requires or under an order of a court of competent jurisdiction) or any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.</p>	<p>having notice thereof) any equitable, contingent, future or actual interest in any Share (except only as otherwise provided by these Articles, the Law or <b>the Applicable Listing Rules</b> otherwise requires or under an order of a court of competent jurisdiction) or any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.</p>	
	<p>除開曼法令另有規定者外，任何人不得以其基於信託持有股份之事由對抗本公司，且除開曼法令另有規定者外，任何衡平的、可能的、將來的或實際的股份利益（僅本章程、開曼法令或<b>法律</b>規定，或基於管轄權法院之命令者除外），或除登記持有者所取得對股份之絕對權利外之其他與股份有關之權利，對於本公司（即使已受通知）不生拘束效力。</p>	<p>除開曼法令或<b>上市（櫃）規範</b>另有規定者外，任何人不得以其基於信託持有股份之事由對抗本公司，且除開曼法令或<b>上市（櫃）規範</b>另有規定者外，任何衡平的、可能的、將來的或實際的股份利益（僅本章程、開曼法令或<b>上市（櫃）規範</b>規定，或基於有管轄權法院之命令者除外），或除登記持有者所取得對股份之絕對權利外之其他與股份有關之權利，對於本公司（即使已受通知）不生拘束效力。</p>	
Article 28	<p>(2) During the Relevant Period, subject to the Law, for the purposes of (a) determining the Members entitled to receive any dividend/bonus, distribution or issue; and (b) determining the Members entitled to receive notices of, attend or vote at any general meeting or any adjournment thereof, the Board shall fix the period that the Register shall be closed for transfers at least for a period of sixty (60) days before the date of each annual general meeting, thirty (30) days before the date of each extraordinary general meeting and five (5) days before the target date for a dividend, bonus or other distribution. For the purpose of calculating the <b>abovementioned period</b>, the respective convening date of the general meeting or the relevant target date shall be included.</p>	<p>(2) During the Relevant Period, subject to the Law, for the purposes of (a) determining the Members entitled to receive any dividend/bonus, distribution or issue; and (b) determining the Members entitled to receive notices of, attend or vote at any general meeting or any adjournment thereof, the Board shall fix the period that the Register shall be closed for transfers (<b>the“Book Closure Period”</b>) at least for a period of sixty (60) days before the date of each annual general meeting, thirty (30) days before the date of each extraordinary general meeting and five (5) days before the target date for a dividend, bonus or other distribution. For the purpose of calculating the <b>Book Closure Period</b>, the respective convening date of the general meeting or the relevant target date shall be included.</p>	Adjust the text literally to unify the expressions.
	<p>(2) 於掛牌期間，除開曼法令另有規定者外，為(a)確定有權收受股息/紅利、財產分配或其他收益之股東；與(b)確定有權收受股東會召集通知、有權於股東會或延會出席或參與表決之股東，董事會應決定股東名簿之過戶登記，於股東常會開會前六十日內，股東臨時會開會前三十日內，或</p>	<p>(2) 於掛牌期間，除開曼法令另有規定者外，為(a)確定有權收受股息/紅利、財產分配或其他收益之股東；與(b)確定有權收受股東會召集通知、有權於股東會或延會出席或參與表決之股東，董事會應決定股東名簿之過戶登記，於股東常會開會前六十日內，股東臨時會開會前三十日內，或</p>	



	<p>公司決定分派股息及紅利或其他分配之基準日前五日內，不得為之。<u>前述期間</u>，應自各股東會之召集日或相關基準日起算。</p>	<p>公司決定分派股息、紅利或其他分配之基準日前「五日內，不得為之（下稱「<u>股票停止過戶期間</u>」）。<u>股票停止過戶期間</u>應自各股東會之召集日或相關基準日起算。</p>	
<p>Article 32</p>	<p>Any one or more Member(s) <b><u>holding at least three percent (3%) of the issued and outstanding Shares of the Company for a period of one year or a longer time</u></b> may, by depositing the requisition notice specifying the proposals to be resolved and the reasons, request the Board to convene an extraordinary general meeting. If the Board does not give notice to Members to convene such meeting within fifteen (15) days after the date of the requisition notice, the proposing Member(s) may convene a general meeting.</p>	<p><b><u>(1) Any one or more Member(s) may, by depositing the requisition notice specifying the proposals to be resolved and the reasons <u>thereof</u>, request the Board to convene an extraordinary general meeting, provided that such Member or Members continuously holds at least three percent (3%) of the total issued Shares of the Company as at the date of deposit of the requisition notice for a period of at least one (1) year immediately prior to that date.</u></b> If the Board does not give notice to Members to convene such meeting within fifteen (15) days after the date of the requisition notice, the proposing Member(s) may convene a general meeting.</p> <p><b><u>(2) Any one or more Member(s) continuously holding more than half of the total issued Shares of the Company for a period of no less than three (3) months may convene an extraordinary general meeting. The number of Shares held by such Member or Members and the holding period of which such Member or Members hold such Shares shall be calculated and determined based on the Register as of the first day of the Book Closure Period.</u></b></p> <p><b><u>(3) In addition to the circumstance where the Board</u></b></p>	<p>In response to the Checklist for Protection of Shareholders' Equity dated November 30, 2018, the Company adds Paragraph 2 and Paragraph 3 of Article 32 herein, and the original paragraph of Article 32 herein is modified as Paragraph 1 of Article 32. Meanwhile, adjust the text literally for avoidance of doubt in accordance with Taiwan's Company Act.</p>

		<p><b><u>should have convened a general meeting but does not or is unable to convene a general meeting pursuant to the Law, the Applicable Listing Rules or these Articles, an Independent Director from the audit committee of the Company may also, for the benefit of the Company, call a general meeting when it is deemed necessary.</u></b></p>	
	<p>繼續一年以上，持有已發行股份總數百分之三以上股份之股東，得以書面載明召集事由及其理由，請求董事會召集股東臨時會。董事會收受該請求後十五日內不為股東會召集之通知時，該請求之股東得自行召集股東會。</p>	<p>(1) 繼續一年以上，持有已發行股份總數百分之三以上股份之股東，得以書面載明召集事由及其理由，請求董事會召集股東臨時會。董事會收受該請求後十五日內不為股東會召集之通知時，該請求之股東得自行召集股東會。</p> <p>(2) <b><u>繼續三個月以上，持有已發行股份總數過半數股份之股東，得自行召集股東臨時會。股東持股期間及持股數之計算，以股票停止過戶期間起始日當時之持股為準。</u></b></p> <p>(3) <b><u>除董事會依開曼法令、上市（櫃）規範或本章程之規定應召集而不為召集或不能召集股東會外，審計委員會之任一獨立董事亦得為本公司利益，於必要時，召集股東會。</u></b></p>	
Article 34	<p>(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 delivering the same to each Member. The period of notice shall be exclusive of the day on which it</p>	<p>(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 <b><u>subject to the Law and the Applicable Listing Rules</u></b>, the Company may make a public announcement of a notice of general meeting to Members holding less than 1,000 Shares instead of delivering the same to each Member. The</p>	<p>Adjust the expressions for avoidance of doubt.</p>

	<p>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>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>	
Article 36	<p>The following matters shall not be considered, discussed or proposed for approval at a general meeting unless they are specified in the notice of general meeting with the description of their major contents:</p> <p>(a) any election or removal of Director(s);</p> <p>(b) any alteration of the Memorandum and/or these Articles;</p> <p>...(omitted)</p>	<p>The following matters shall not be considered, discussed or proposed for approval at a general meeting unless they are specified in the notice of general meeting with the description of their major contents; <b><u>the major contents may be posted on the website designated by the R.O.C. competent authorities or the Company, and such website shall be indicated in the notice:</u></b></p> <p>(a) any election or removal of Director(s);</p> <p>(b) any alteration of the Memorandum and/or these Articles;</p> <p><b><u>(c) any capital reduction or compulsory purchase and cancellation of Shares pursuant to Paragraph (1) of Article 24;</u></b></p> <p><b><u>(d) applying for the approval of ceasing the status as a public company;</u></b></p>	<p>In response to the Checklist for Protection of Shareholders' Equity dated November 30, 2018, the Company adds the requirements referred to in the second half of Article 36 herein and also the subparagraphs (c) and (d) thereof. The sequent article number is deferred in turn.</p>

		...(omitted)	
	<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：</p> <p>(a) 選任或解任董事；</p> <p>(b) 變更公司組織備忘錄及/或本章程；...(略)</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；<u>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：</u></p> <p>(a) 選任或解任董事；</p> <p>(b) 變更公司組織備忘錄及/或本章程；</p> <p><u>(c) 減資或依本章程第 24 條第 1 項規定強制買回本公司股份並予銷除；</u></p> <p><u>(d) 申請停止公開發行；...</u>(略)</p>	
Article 40	<p>(1) During the Relevant Period, one or more Member(s) holding one percent (1%) or more of the total issued and outstanding Shares of the Company may submit to the Company not more than one proposal in writing <b><u>for resolution at an annual general meeting; provided that only one matter shall be allowed in a single proposal, the number of words therein contained shall not be more than three hundred (300), and the matter of such proposal may be resolved by a general meeting, or otherwise such proposal shall not be included in the agenda.</u></b></p> <p>(4) The Board <b><u>may exclude</u></b> a proposal submitted by Member(s) <b><u>if</u></b>:</p> <p>(a) the proposal involves matters which cannot be settled or resolved at a general meeting under the Law, the Applicable Listing Rules and these Articles;</p> <p>(b) the number of Shares held by the proposing Member(s) is less than one percent (1%) of the total issued <b><u>and outstanding</u></b> Shares in the</p>	<p>(1) During the Relevant Period, one or more Member(s) holding one percent (1%) or more of the total issued <b><u>and outstanding</u></b> Shares of the Company may submit to the Company not more than one proposal in writing <b><u>or by way of electronic transmission for resolution at an annual general meeting.</u></b></p> <p>(4) The Board <b><u>shall include</u></b> a proposal submitted by Member(s) <b><u>unless</u></b>:</p> <p>(a) the proposal involves matters which cannot be settled or resolved at a general meeting under the Law, the Applicable Listing Rules and these Articles;</p> <p>(b) the number of Shares held by the proposing Member(s) is less than one percent (1%) of the total issued Shares in the Register upon commencement of the period in which the Register is closed for transfers before the relevant annual general meeting of the</p>	<p>In response to the Checklist for Protection of Shareholders' Equity dated November 30, 2018, the Company amends Paragraph 1 and Paragraph 4 of Article 40 herein, and adds Paragraph 5 of Article 40 herein. The original contents of Paragraph 5 of Article 40 are modified as Paragraph 6 of Article 40. Meanwhile, adjust the text literally for avoidance of doubt in accordance with Taiwan's Company</p>

	<p>Register upon commencement of the period in which the Register is closed for transfers before the relevant annual general meeting of the Company; <u>or</u></p> <p><b>(c)</b> the proposal is submitted after the expiration of the specified period announced by the Company for submitting proposals.</p>	<p>Company;</p> <p><b><u>(c) the proposal contains more than one matter;</u></b></p> <p><b><u>(d) the proposal contains more than three hundred (300) words; or</u></b></p> <p><b><u>(e)</u></b> the proposal is submitted after the expiration of the specified period announced by the Company for submitting proposals.</p> <p><b><u>(5) If a proposal submitted by Member(s) is intended to urge the Company to promote public interests or fulfil its social responsibilities, the Board may include the proposal notwithstanding that one of the circumstances set forth in the preceding Paragraph (4) of this Article applies.</u></b></p>	Act.
	<p>(1)於掛牌期間，持有已發行股份總數百分之一以上股份之一位或數位股東，得以書面向本公司提出股東常會議案；<u>但以一項為限，不得超過三百字，且該提案須為股東會得決議之事項。提案超過一項或超過三百字或提案非股東會得決議者，均不列入議案。</u></p> <p>(4)有下列情事之一者，股東所提議案，董事會得不予列入：</p> <p>(a) 該議案依開曼法令、上市（櫃）規範或本章程之規定，非股東會所得決議者；</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；<u>或</u></p> <p><b><u>(c)</u></b> 該議案於本公司公告受理期間經過後始提出者。</p>	<p>(1)於掛牌期間，持有已發行股份總數百分之一以上股份之一位或數位股東，得以書面<u>或電子受理方式</u>向本公司提出股東常會議案。</p> <p>(4)<u>除</u>有下列情事之一者<u>外</u>，股東所提議案，董事會<u>應予</u>列入：</p> <p>(a) 該議案依開曼法令、上市（櫃）規範或本章程之規定，非股東會所得決議者；</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><b><u>(c) 提案超過一項者；(d)提案超過三百字者；或</u></b></p> <p><b><u>(e)</u></b> 該議案於本公司公告受理期間經過後始提出者。</p> <p><b><u>(5)如股東提案係為敦促本公司增進公共利益或善盡社會責任之建議，縱有前項各款所定情形者，董事會仍得列入議案。</u></b></p>	

Article 46	Add the sub-paragraph (t) of Paragraph 1.	<p>Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution:...</p> <p><b><u>(t) apply for the approval of ceasing the status as a public company.</u></b></p> <p>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><b><u>(t) 申請停止公開發行。</u></b></p>	In response to the Checklist for Protection of Shareholders' Equity dated November 30, 2018, the Company adds the sub-paragraph (t) of Paragraph 1 of Article 46 herein.
Article 48	<p>(1) Subject to the Law, in the event any of the resolutions with respect to the matter(s) as set out in <b>Paragraphs</b> (a), (b) or (c) of Article 46 is adopted at a general meeting, a Member who has notified the Company in writing of his objection to such proposal prior to that meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair price; provided, however, that no Member shall have the abovementioned appraisal right if the resolution to be adopted is in relation to the matter(s) set out in <b>Paragraph (b) of Article 46</b> and at the same meeting the resolution for the winding up of the Company is also adopted.</p> <p>(2) <b>In</b> the event any part of the Company's business is involved in any Spin-Off, Merger or Consolidation, a Member, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing before the relevant vote, may request the Company to purchase all of his Shares at the then prevailing fair price <b>in accordance with the Law.</b></p> <p>(3) Without prejudice to the Law, in the event the Company and a Member making a request pursuant to Paragraphs (1) or (2) of this Article fail to reach agreement on the purchase price within sixty (60) days following the date of the resolution, the Member may, within thirty (30) days after such sixty (60) days period, file a petition to the Taiwan Taipei District Court of the R.O.C. <b>if and to the extent permitted.</b></p>	<p>(1) Subject to the <b>compliance with the Law</b>, in the event any of the resolutions with respect to the matter(s) as set out in <b>Subparagraph</b> (a), (b) or (c) <b>of Paragraph (1)</b> of Article 46 is adopted at a general meeting, a Member who has notified the Company in writing of his objection to such proposal prior to that meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair price; provided, however, that no Member shall have the abovementioned appraisal right if the resolution to be adopted is in relation to the matter(s) set out in <b>Subparagraph (b) of Paragraph (1)</b> Article 46 and at the same meeting the resolution for the winding up of the Company is also adopted.</p> <p>(2) <b>Subject to the compliance with the Law,</b> in the event any part of the Company's business is involved in any Spin-Off, Merger or Consolidation, a Member, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing <b>or orally with an entry to that effect in the minutes of the meeting</b> before the relevant vote, may request the Company to purchase all of his Shares at the then prevailing fair price.</p> <p>(3) Without prejudice to the Law, in the event the Company and a Member making a request pursuant to Paragraphs (1) or (2) of this Article fail to reach <b>an</b> agreement on the purchase price within sixty (60) days following the date of the resolution, the Member may, within thirty (30) days after such</p>	Adjust the expressions, and add the requirements referred to in the second half of Paragraph 3 of Article 48 herein to enable the Company to follow the related procedures required by Taiwan's laws and regulations to ensure the shareholders' equity.

	<p><u>under the Law</u>, for a ruling on the appraisal price.</p>	<p>sixty (60) days period, file a petition to the Taiwan Taipei District Court of R.O.C. 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>(1)<u>除開曼法令另有規定者外</u>，股東在股東會通過關於第 46 條第(a)、(b)或(c)款所定事項之決議前，已以書面通知本公司反對該項行為之意思表示，並於股東會已為反對者，得請求本公司以當時公平價格收買其所有之股份；但股東會為第 46 條(b)款之決議，同時決議解散時，不在此限。  (2)股東會決議本公司分割或與他公司新設合併/吸收合併時，股東在該議案表決前以書面表示異議，並就該議案放棄其表決權者，得請求本公司<u>依開曼法令</u>按當時公平價格收買其持有之股份。  (3)在不違反開曼法令規定之情形下，依前二項行使股份收買請求權之股東，與公司在股東會決議日起六十日內未達成協議者，得在此期間經過後三十日內，<u>在開曼法令允許之範圍內</u>，向臺灣臺北地方法院聲請為價格之裁</p>	<p>(1)<u>在不違反開曼法令規定之情形下</u>，股東在股東會通過關於第 46 條第 1 項第 a、b 或 c 款所定事項之決議前，已以書面通知本公司其反對該項行為之表示，且嗣後於股東會已為反對者，得請求本公司按當時公平價格收買其所有之股份；但股東會為第 46 條第 1 項第 b 款之決議，同時決議解散時，不在此限。  (2)<u>在不違反開曼法令規定之情形下</u>，股東會決議本公司分割或與他公司新設合併/吸收合併時，股東在該議案表決前以書面表示異議，<u>或以口頭表示異議經紀錄</u>，並就該議案放棄其表決權者，得請求本公司按當時公平價格收買其持有之股份。  (3)在不違反開曼法令規定之情形下，依前二項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，得在此期間經過後三十日內，向臺灣臺北地方法院聲請為價格之裁定。<u>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>	
Article 66	<p>The Company may, whenever it thinks fit, adopt and apply a candidate nomination mechanism for election of any of the Directors in accordance with the Applicable Listing Rules. Notwithstanding the foregoing, during the Relevant Period, a candidate nomination mechanism shall be adopted for election of <b>Independent</b> Directors. Upon adoption of candidate nomination mechanism, the Directors and Independent Directors shall be elected by the Members at a general meeting from among the nominees listed in the respective rosters of director candidates and independent director</p>	<p>The Company may, whenever it thinks fit, adopt and apply a candidate nomination mechanism for election of any of the Directors in accordance with the Applicable Listing Rules. Notwithstanding the foregoing, during the Relevant Period, a candidate nomination mechanism shall be adopted for election of <b>all</b> Directors. Upon adoption of candidate nomination mechanism, the Directors and Independent Directors shall be elected by the Members at a general meeting from among the nominees listed in the respective rosters of director candidates and independent director candidates. Subject to the Law and</p>	<p>In response to the amendments to the “Checklist for Protection of Shareholders’ Equity in Country Where the Foreign Issuer is Registered” required by TWSE’s public notice under</p>

	<p>candidates. Subject to the Law and the Applicable Listing Rules, the Board may establish detailed rules and procedures for such candidate nomination.</p> <p>本公司得於適當時採用上市（櫃）規範所訂定之候選人提名制度選舉董事。惟本公司於掛牌期間，<b>獨立</b>董事之選任均應採用候選人提名制度。在採用候選人提名制度之情形下，董事及獨立董事應由股東分別自董事及獨立董事候選人名單中選任之。候選人提名制度之相關規則及程序，得由董事會依開曼法令及上市（櫃）規範訂定之。</p>	<p>the Applicable Listing Rules, the Board may establish detailed rules and procedures for such candidate nomination.</p> <p>本公司得於適當時採用上市（櫃）規範所訂定之候選人提名制度選舉董事。惟本公司於掛牌期間，<b>任何</b>董事之選任均應採用候選人提名制度。在採用候選人提名制度之情形下，董事及獨立董事應由股東分別自董事及獨立董事候選人名單中選任之。候選人提名制度之相關規則及程序，得由董事會依開曼法令及上市（櫃）規範訂定之。</p>	<p>Tai-Zheng-Shang-2-Zi No. 10717037941 dated November 30, 2018, the Company amends this provision.</p>
Article 67	<p>Subject to these Articles, each Director shall be appointed to a term of office <b>of</b> three (3) years and is eligible for re-election. In case no election of new Directors is effected prior to the expiration of the term of office of existing Directors, the term of office of such existing Directors shall be extended until the time such Directors are re-elected or new Directors are duly elected and assume their office subject to these Articles. In the event of any vacancy in the Board, the new Director elected in the general meeting shall fill the vacancy for the residual term of office.</p> <p>除本章程另有規定外，每一董事任期三年，得連選連任。若董事任期屆滿而不及改選時，應延長其任期至原董事經連選連任或新董事經合法選任並就任時為止。在董事有缺額時，經股東會補選之新任董事任期應補足原董事之任期。</p>	<p>Subject to these Articles, each Director shall be appointed to a term of office <b>not exceeding</b> three (3) years and is eligible for re-election. In case no election of new Directors is effected prior to the expiration of the term of office of existing Directors, the term of office of such existing Directors shall be extended until the time such Directors are re-elected or new Directors are duly elected and assume their office subject to these Articles. In the event of any vacancy in the Board, the new Director elected in the general meeting shall fill the vacancy for the residual term of office.</p> <p>除本章程另有規定外，每一董事任期<b>不得逾</b>三年，得連選連任。若董事任期屆滿而不及改選時，應延長其任期至原董事經連選連任或新董事經合法選任並就任時為止。在董事有缺額時，經股東會補選之新任董事任期應補足原董事之任期。</p>	<p>Amend the term of office to be held by the Company's director in accordance with Taiwan's Company Act.</p>
Article 68	<p>(2) Without prejudice to other provisions of these Articles, the <b>Company</b> may <b>by an Ordinary Resolution</b> put <b>all Directors</b> for re-election before the expiration of the term of office of such Directors. In <b>this</b> event, <b>if it is not specified in such resolution that the existing Directors will not retire until the expiration date of their terms of office or other specified date, they shall be deemed to have retired on the date</b> of such <b>resolution</b>, subject to the successful election of the new Directors at the same meeting.</p>	<p>(2) Without prejudice to other provisions of these Articles, the <b>Directors</b> may <b>be put up</b> for re-election <b>at any time</b> before the expiration of the term of office of such Directors. In <b>the</b> event <b>where all Directors are subject for re-election at a general meeting before</b> the expiration of <b>the term</b> of office of such <b>Directors</b>, subject to the successful election of the new Directors at the same meeting, <b>the term of office of all current Directors is deemed to have expired on the date of the re-election if the Members do not resolve that all</b></p>	<p>In response to the Checklist for Protection of Shareholders' Equity dated November 30, 2018, the Company amends Paragraph 2 of Article 68 herein and adjusts the</p>



	<p>(2)除本章程另有規定外，董事任期屆滿前得經股東會之<u>普通決議</u>改選全部董事。於此情形，如<u>股東會未同時</u>決議現任董事於任期屆滿或其他特定日期始為解任，且新董事已於同次會議中選出者，現任董事應視為於該股東會決議日提前解任。</p>	<p><b><u>current Directors will only retire at the expiration of their present term of office or any other date as otherwise resolved by the Members at the general meeting.</u></b></p> <p>(2)除本章程另有規定者外，董事任期屆滿前得經股東會改選全部董事。於此情形，如未決議現任董事於任期屆滿或其他特定日期始為解任，且新董事已於同次會議中選出者，現任董事應視為於該股東會決議日提前解任。</p>	<p>expressions therein.</p>
<p>Article 83</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>(a) commits a felony (including but not limiting to an offence under Statute for Prevention of Organizational Crimes of the R.O.C.) and has been convicted thereof, and <b><u>the time elapsed after he has served the full term of the sentence</u></b> is less than five (5) years;</p> <p>(b) has been <b><u>sentenced to</u></b> imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and the time elapsed after <b><u>he has served the full term</u></b> of <b><u>such</u></b> sentence is less than two (2) years;</p> <p>(c) has been <b><u>convicted</u></b> of <b><u>misappropriating public funds during</u></b> the <b><u>time of his public service</u></b>, and the time elapsed after <b><u>he has served the full term</u></b> of <b><u>such sentence</u></b> is less than two (2) years;</p> <p>(d) becomes bankrupt under the laws of any jurisdiction</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>(a) commits a felony (including but not limiting to an offence under Statute for Prevention of Organizational Crimes of the R.O.C.) and has been convicted thereof, and <b><u>has not started serving the sentence, has not completed serving the sentence, or the time elapsed after completion of serving the sentence, expiration of the probation, or pardon</u></b> is less than five (5) years;</p> <p>(b) has been <b><u>imposed a final sentence involving</u></b> imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and <b><u>has not started serving the sentence, has not completed serving the sentence, or the time elapsed after completion of serving the sentence, expiration of the probation, or pardon</u></b> is less than two (2) years;</p>	<p>In response to the Checklist for Protection of Shareholders' Equity dated November 30, 2018, the Company amends the sub-paragraphs (a), (b), (c), (d) and (f) of Paragraph 1 of Article 83 herein and adjusts the expressions therein.</p> <p>Also, the Company adjusts the text literally to unify the expressions in accordance with the amendments to Article 28 herein.</p>

	<p>and has not been reinstated to his rights and privileges;</p> <p>(e) has allowed cheques and other negotiable instruments to be dishonoured and the records thereof have not been cancelled or expunged by the relevant regulatory authorities;</p> <p>(f) dies or has <b>no</b> or is <b>limited in</b> legal capacity according to the <b><u>Law and/or Applicable Listing Rules</u></b>;...<i>(omitted)</i></p> <p>(3) During the Relevant Period, if a Director (other than Independent Director), <b>(i)</b> after having been elected and before his inauguration of the office of a Director, has transferred some or all his Shares held by him such that the remaining Shares are less than one half of the Shares held by such Director at the time of his election or, <b>(ii)</b> within the <b><u>closing period</u></b> fixed by the Board in accordance with Article 28(2) prior to the general meeting for the election of such Director, has transferred some or all his Shares held by him such that the remaining Shares are less than one half of the Shares held at the commencement of the <b><u>closing period</u></b>, his election as a Director shall be deemed invalid and void.</p>	<p>(c) has been <b><u>imposed a final sentence due to violation</u></b> of the <b><u>Anti-corruption Act</u></b>, and <b><u>has not started serving the sentence, has not completed serving the sentence, or</u></b> the time elapsed after <b><u>completion of serving the sentence, expiration of the probation, or pardon</u></b> is less than two (2) years;</p> <p>(d) becomes bankrupt <b><u>or is adjudicated of commencement of liquidation proceeding by a court</u></b> under the laws of any jurisdiction, and has not been reinstated to his rights and privileges;</p> <p>(e) has allowed cheques and other negotiable instruments to be dishonoured and the records thereof have not been cancelled or expunged by the relevant regulatory authorities;</p> <p>(f) dies or <b><u>an order</u></b> has <b><u>been made by any competent court or authority on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and such order has not been revoked, or his</u></b> legal capacity <b><u>is restricted</u></b> according to the <b><u>applicable laws</u></b>;...<i>(omitted)</i></p> <p>(3) During the Relevant Period, if a Director (other than Independent Director), <b>(a)</b> after having been elected and before his inauguration of the office of a Director, has transferred some or all his Shares held by him such that the remaining Shares are less than one half of the Shares held by such Director at the time of his election or, <b>(b)</b> within the <b><u>Book Closure Period</u></b> fixed by the Board in accordance with Article 28(2) prior to the general meeting for the election of such Director, has transferred some or all his Shares held by</p>	
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		<p>him such that the remaining Shares are less than one half of the Shares held at the commencement of the <b><u>Book Closure Period</u></b>, his election as a Director shall be deemed invalid and void.</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：  (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，<b><u>服刑期滿尚未逾五年者</u></b>；  (b) 曾犯詐欺、背信、侵占罪經<b><u>受</u></b>有期徒刑一年以上<b><u>宣告</u></b>，<b><u>服刑期滿尚未逾兩年者</u></b>；  (c) 曾<b><u>服公務虧空公款</u></b>，經判決確定，<b><u>服刑期滿尚未逾兩年者</u></b>；  (d) 受破產之宣告，尚未復權者；  (e) 使用票據經拒絕往來尚未期滿者；  (f) 死亡或<b><u>依據開曼法令及/或上市（櫃）規範為無行為能力或限制行為能力者</u></b>；...(略)</p> <p>(3)於掛牌期間，如董事（不含獨立董事）<b><u>(i)</u></b>於當選後、就任前轉讓全部或部份股份致其剩餘股份少於選任當時所持有公司股份數額之二分之一，或<b><u>(ii)</u></b>於董事會依照本章程第28條第2項所訂股東會召開前之股票停止過戶期間內，轉讓全部或部份股份致其剩餘股份少於其於股票停止過戶期間起始日當時所持有公司股份之二分之一時，該董事之當選應失其效力。</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：  (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，<b><u>尚未執行、尚未執行完畢，或執行完畢、緩刑期滿或赦免後</u></b>未逾五年者；  (b) 曾犯詐欺、背信、侵占罪經<b><u>宣告</u></b>有期徒刑一年以上之刑確定，<b><u>尚未執行、尚未執行完畢，或執行完畢、緩刑期滿或赦免後</u></b>未逾二年者；  (c) 曾犯<b><u>貪污治罪條例之罪</u></b>，經判決<b><u>有罪</u></b>確定，<b><u>尚未執行、尚未執行完畢，或執行完畢、緩刑期滿或赦免後</u></b>未逾二年者；  (d) 受破產之宣告<b><u>或經法院裁定開始清算程序</u></b>，尚未復權者；  (e) 使用票據經拒絕往來尚未期滿者；  (f) 死亡或<b><u>被有管轄權法院或主管機關以其為或將為心智缺陷，或因其他原因而無法處理自己事務為由作出裁決而尚未撤銷，或其行為能力依其應適用之法律受有限制者</u></b>；...(略)</p> <p>(3)於掛牌期間，如董事（不含獨立董事）<b><u>(a)</u></b>於當選後、就任前轉讓全部或部份股份致其剩餘股份少於選任當時所持有公司股份數額之二分之一，或<b><u>(b)</u></b>於董事會依照本章程第</p>	

		28 條第 2 項所訂股東會召開前之股票停止過戶期間內，轉讓全部或部份股份致其剩餘股份少於其於股票停止過戶期間起始日當時所持有公司股份之二分之一時，該董事之當選應失其效力。	
Article 86	<p>Subject to the Law, one or more Members holding <b>three</b> percent (<b>3%</b>) or more of the total number of the <b>outstanding</b> Shares continuously for a period of <b>more than one year</b> may request in writing any Independent Director of the Audit Committee to file, on behalf of the Company, an action against a Director who has, in the course of performing his/her duties, committed any act resulting in damage to the Company or in violation of the Law, the Applicable Listing Rules or these Articles, with a competent court, including the Taiwan Taipei District Court of the R.O.C. In case the Independent Director fails to file such action within thirty (30) days after receipt of such request, to the extent permitted under the laws of the Cayman Islands, the Members making such request may file the action for the Company.</p> <p>除開曼法令另有規定外，繼續<u>一年</u>以上持有已發行股份總數百分之<u>三</u>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>Subject to the Law, one or more Members holding <b>one</b> percent (<b>1%</b>) or more of the total number of the <b>issued</b> Shares continuously for a period of <b>six (6) months or a longer time</b> may request in writing any Independent Director of the Audit Committee to file, on behalf of the Company, an action against a Director who has, in the course of performing his/her duties, committed any act resulting in damage to the Company or in violation of the Law, the Applicable Listing Rules or these Articles, with a competent court, including the Taiwan Taipei District Court of the R.O.C. In case the Independent Director fails to file such action within thirty (30) days after receipt of such request, to the extent permitted under the laws of the Cayman Islands, the Members making such request may file the action for the Company.</p> <p>除開曼法令另有規定外，繼續<u>六個月</u>以上持有已發行股份總數百分之<u>一</u>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>	In response to the Checklist for Protection of Shareholders' Equity dated November 30, 2018, the Company amends Article 86 herein.
Article 91	<p>A Director who is in any way, whether directly or indirectly, interested in a matter discussed, considered or proposed in a meeting of the Board shall declare the nature of his interest and its essential contents at such relevant meeting. Any Director who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a meeting of Board shall abstain from voting, on his own behalf or as a</p>	<p>A Director who is in any way, whether directly or indirectly, interested in a matter discussed, considered or proposed in a meeting of the Board shall declare the nature of his interest and its essential contents at such relevant meeting. <b><u>Where the spouse, a blood relative within the second degree of kinship of a Director as defined under the Civil Code of Taiwan, or any company which has a controlling or subordinate relation with a Director bear any interest in</u></b></p>	In response to the Checklist for Protection of Shareholders' Equity dated November 30, 2018, the Company amends Article 91 herein.

	<p>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><b><u>the matter under discussion at a Board meeting, such Director shall be deemed to bear a personal interest in the matter.</u></b> Any Director who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a meeting of Board shall abstain from voting, on his own behalf or as a proxy or corporate representative, with respect to the said matter. Any and all votes cast by such Director(s) shall not be counted in determining the number of votes for or against such matter.</p>	
	<p>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。<b><u>董事之配偶、依中華民國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。</u></b>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>Article 95</p>	<p>During the Relevant Period, the Company shall set aside out of the profits of the Company for each financial year: <b><u>(i)</u></b> a reserve for payment of tax for the relevant financial year; and <b><u>(ii)</u></b> an amount to offset losses incurred in previous year(s); and <b><u>(iii)</u></b> a Statutory Reserve in accordance with the Applicable Listing Rules, and after the aforesaid sums as set aside from the profits for such relevant financial year, the Board <b><u>may</u></b>, before recommending any dividend, set aside the remaining profits of the Company for the relevant financial year as a reserve or reserves (the "Special Reserve") <b><u>which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied.</u></b></p>	<p>During the Relevant Period, the Company shall set aside out of the profits of the Company for each financial year: <b><u>(a)</u></b> a reserve for payment of tax for the relevant financial year; and <b><u>(b)</u></b> an amount to offset losses incurred in previous year(s); and <b><u>(c)</u></b> a Statutory Reserve in accordance with the Applicable Listing Rules, and after the aforesaid sums as set aside from the profits for such relevant financial year <b><u>for any purpose to which the profits of the Company may be properly applied</u></b>, the Board <b><u>shall</u></b>, before recommending any dividend <b><u>or bonuses</u></b>, set aside the remaining profits of the Company <b><u>in whole or in part</u></b> for the relevant financial year as a <b><u>special reserve or reserves in accordance with the order from the Commission, and the Company may also, under these Articles or by Special Resolution of the general meeting, set aside another sum as a special reserve or reserves</u></b>.</p>	<p>Adjust the expressions in Article 95 herein for avoidance of doubt in accordance with Taiwan's Company Act.</p>

		<u>(collectively, the "Special Reserve").</u>	
	於掛牌期間，本公司應於每會計年度之盈餘中提撥一定金額用於下列目的： <u>(i)繳納該會計年度之應納稅捐；(ii)彌補以往年度之虧損；(iii)依據上市（櫃）規範提撥法定盈餘公積；於提撥該等金額後分派股利（如有）前，董事會得將剩餘部分提為特別盈餘公積，用於任何得以盈餘支應之目的（下稱「特別盈餘公積」）。</u>	於掛牌期間，本公司應於每會計年度之盈餘中提撥一定金額用於下列目的： <u>(a)繳納該會計年度之應納稅捐；(b)彌補以往年度之虧損；(c)依據上市（櫃）規範提撥法定盈餘公積；於提撥該等金額後分派股息或紅利前，除依金管會要求，董事會應將剩餘部分之全部或一部提為特別盈餘公積外，本公司亦得以章程訂定或股東會特別決議，另提特別盈餘公積，用於任何得以盈餘支應之目的（下合稱「特別盈餘公積」）。</u>	
Article 100	(2) During the Relevant Period, subject to the Law, the Applicable Listing Rules and these Articles, where the Company has annual profits at the end of a financial year, upon the approval of a majority of the Directors present at a meeting attended by at least two-thirds or more of the total number of the Directors, the Company may distribute not less than one percent (1%) and not more than six percent (6%) of the profits for such year to the Employees (unless otherwise provided by the Law and the Applicable Listing Rules, the qualifications of such Employees shall be determined by the Board) as the Employees' compensation in the form of shares or in cash and may distribute not more than five percent (5%) hereof to the Directors as the Directors' compensation, provided, however, that the total amount of accumulated losses of the Company shall be reserved from the said profits in advance, and the Company shall distribute the remaining balance thereof to the Employees and Directors in the proportion set out above. A report of such distribution of Employee and Directors' compensation shall be submitted to the general meeting of the Company. Except otherwise set forth by the Applicable Listing Rules, any Directors' compensation shall not be paid in the form of shares.	(2) During the Relevant Period, subject to the Law, the Applicable Listing Rules and these Articles, where the Company has annual profits at the end of a financial year, upon the approval of a majority of the Directors present at a meeting attended by at least two-thirds or more of the total number of the Directors, the Company may distribute not less than one percent (1%) and not more than six percent (6%) of the profits for such year to the Employees (unless otherwise provided by the Law and the Applicable Listing Rules, the qualifications of such Employees shall be determined by the Board) as the Employees' compensation in the form of shares or in cash and may distribute not more than five percent (5%) hereof to the Directors as the Directors' compensation, provided, however, that the total amount of accumulated losses of the Company <u>(including adjusted undistributed profits)</u> shall be reserved from the said profits in advance, and the Company shall distribute the remaining balance thereof to the Employees and Directors in the proportion set out above. A report of such distribution of Employee and Directors' compensation shall be submitted to the general meeting of the Company. Except otherwise set forth by the Applicable Listing Rules, any Directors' compensation shall not be paid in the form of shares. <u>The term "annual profits"</u>	Adjust the expressions therein for clarification and avoidance of doubt. Meanwhile, according to Taiwan's Company Act, the Company amends Paragraph 3 of Article 100 herein to expressly state that the Company may allocate the stock dividends and bonus in cash, in whole or in part, and report the allocation to the shareholders' meeting, upon resolution adopted by a majority of the directors present at a directors' meeting attended by more than two-thirds

	<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 earnings, after paying all relevant taxes, offsetting losses (including losses of previous years), setting aside <u>a</u> Statutory Reserve of the remaining profits in accordance with the Applicable Listing Rules provided that the setting aside of the Statutory Reserve does not apply if the aggregate amount of the Statutory Reserve amounts to the Company's total <u>issued</u> capital, and setting aside <u>or reversing</u> the Special Reserve (if any), the Company may distribute not less than ten percent (10%) of the remaining balance ("<u>Surplus Profits</u>"), plus undistributed profits of previous years in part or in whole as determined by <u>an Ordinary Resolution passed at an annual general meeting of the Company duly convened and held in accordance with these Articles</u> 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><b><u>as used herein shall mean the annual profits for such year before tax without deducting the amount of compensation distributed to the Employees and Directors as prescribed in this Paragraph (2) of this Article.</u></b></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 earnings, after paying all relevant taxes, offsetting losses (including losses of previous years <u>and adjusted undistributed profits, if any</u>), setting aside <u>the</u> Statutory Reserve of the remaining profits in accordance with the Applicable Listing Rules (provided that the setting aside of the Statutory Reserve does not apply if the aggregate amount of the Statutory Reserve amounts to the Company's total <u>paid-in</u> capital), and setting aside the Special Reserve (if any), the Company may distribute not less than ten percent (10%) of the remaining balance (<u>including the amounts reversed from the Special Reserve</u>), plus <u>accumulated undistributed profits</u> of previous years (<u>including adjusted undistributed profits</u>) in part or in whole as determined by <u>a resolution passed by a majority of the Directors present at a meeting of the Board attended by two-thirds or more of the total number of Directors</u> to the Members as dividends/bonuses in proportion to the number of Shares held by them respectively pursuant to these Articles; <u>and in addition thereto a report of such distribution shall be submitted to the general meeting</u>, provided that, cash dividends/bonuses shall not be less than ten percent (10%) of the total amount of dividends/bonuses to Members.</p>	<p>of the whole directors.</p>
	<p>(2)於掛牌期間，除開曼法令、上市（櫃）規範或本章程另有規定外，本公司年度如有獲利，<u>應提撥百分之一至百分之六為員工酬勞</u>，經董事會三分之二以上董事之出席及出席董事過半數之決議以發給股份及/或現金方式分派予員工（除開曼法令或上市（櫃）規範另有規定外，該等員工</p>	<p>(2)於掛牌期間，除開曼法令、上市（櫃）規範或本章程另有規定外，本公司年度如有獲利，應經董事會三分之二以上董事之出席及出席董事過半數之決議，<u>提撥百分之一至百分之六為員工酬勞</u>，以發給股份及/或現金方式分派予員工（除開曼法令或上市（櫃）規範另有規定外，該等員工</p>	

	<p>之資格應由董事會定之)；並得經董事會三分之二以上董事之出席及出席董事過半數之決議提撥不高於百分之五作為董事酬勞分派予董事。但本公司尚有累積虧損時，應預先保留彌補數額，再就其剩餘數額依前述比例提撥員工及董事酬勞。員工及董事酬勞分配案應提股東會報告。除上市(櫃)規範另有規定外，董事酬勞不應以發給股份之方式為之。</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)、按照上市(櫃)規範提撥法定盈餘公積(但若法定盈餘公積合計已達本公司<b>已發行</b>資本總額者不適用之)，次提<b>或迴轉</b>特別盈餘公積(如有)後，剩餘者(下稱「<b>可分配盈餘</b>」)得由<b>股東常會以普通決議</b>，以不低於可分配盈餘之百分之十，加計經本公司股東常會以普通決議所定以前年度未分配盈餘之全部或一部，依股東持股比例，派付股息/紅利予股東，其中現金股利之數額，不得低於該次派付股息/紅利總額之百分之十。</p>	<p>之資格應由董事會定之)；並得經董事會三分之二以上董事之出席及出席董事過半數之決議提撥不高於百分之五作為董事酬勞分派予董事。但本公司尚有累積虧損(包括<b>調整未分配盈餘金額</b>)時，應預先保留彌補數額，再就其剩餘數額依前述比例提撥員工及董事酬勞。員工及董事酬勞分配案應提股東會報告。除上市(櫃)規範另有規定外，董事酬勞不應以發給股份之方式為之。<b>本項所稱「獲利」，係指尚未扣除分派員工酬勞及董事酬勞之稅前利益。</b></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<b>及調整未分配盈餘金額，如有</b>)、按照上市(櫃)規範提撥法定盈餘公積(但若法定盈餘公積合計已達本公司<b>實收</b>資本總額者不適用之)，次提特別盈餘公積(如有)後，剩餘之<b>金額(包括經迴轉之特別盈餘公積)</b>得由<b>董事會以三分之二以上董事之出席，及出席董事過半數之決議</b>，以不低於可分配盈餘之百分之十，加計經本公司股東常會以普通決議所定以前年度<b>累積</b>未分配盈餘之全部或一部<b>(包括調整未分配盈餘金額)</b>，依股東持股比例，派付股息/紅利予股東，<b>並報告股東會</b>。其中現金股利之數額，不得低於該次派付股息/紅利總額之百分之十。</p>	
Article 101	<p>During the Relevant Period, subject to the Law, the Applicable Listing Rules and these Articles, the Company may by a Special Resolution distribute any part or all of the dividends or bonuses to the Members declared in accordance with the preceding Article by way of applying such sum in paying up in full unissued Shares for allocation and distribution to the <b>Employees, the Directors and/or the Members.</b></p> <p>於掛牌期間，除開曼法令、上市(櫃)規範或本章程另有</p>	<p>During the Relevant Period, subject to the Law, the Applicable Listing Rules and these Articles, the Company may by a Special Resolution distribute any part or all of the dividends or bonuses to the Members declared in accordance with the preceding Article by way of applying such sum in paying up in full unissued Shares for allocation and distribution to the Members.</p> <p>於掛牌期間，除開曼法令、上市(櫃)規範或本章程另有</p>	<p>According to Taiwan's Company Act, the allocation of remuneration to employees is only subject to resolution by a directors' meeting and shall be reported to a shareholders' meeting, without needing to be</p>



	規定外，依本章程應分派予 <u>員工、董事及/或股東</u> 之股息、紅利，得經股東會特別決議將其全部或一部，以發行新股方式為之。	規定外，依本章程應分派予股東之股息、紅利，得經股東會特別決議將其全部或一部，以發行新股方式為之。	subject to any special resolution by a shareholders' meeting. The amendments are made hereto accordingly.
Article 107	<b>The</b> Board shall keep copies of the Memorandum, these Articles, the minutes of every general meeting, the Financial Statements, the Register and the counterfoil of corporate bonds issued by the Company at its Shareholder Service Agent's office in the R.O.C. Any Member may request at any time, by submitting evidentiary document(s) to show his interests involved and indicating the scope of requested matters, access to <b>inspect and to make copies of</b> the above documents.	<b>During the Relevant Period, the</b> Board shall keep copies of the Memorandum, these Articles, the minutes of every general meeting, the Financial Statements, the Register and the counterfoil of corporate bonds issued by the Company at its Shareholder Service Agent's office in the R.O.C. Any Member may request at any time, by submitting evidentiary document(s) to show his interests involved and indicating the scope of requested matters, access to <b>inspecting, transcribing and making copies of the above documents; the Company shall make Shareholder Service Agent provide</b> the above documents.	In response to the Checklist for Protection of Shareholders' Equity dated November 30, 2018, the Company amends Article 107 herein.
	董事會應將組織備忘錄、本章程、歷次股東會議事錄、財務報告、股東名簿及公司債存根簿備置於中華民國境內之股務代理機構，股東得檢具利害關係證明文件，指定範圍，隨時請求查閱 <u>或抄錄</u> 。	<u>於掛牌期間</u> ，董事會應將組織備忘錄、本章程、歷屆股東會議事錄、財務報告、股東名簿及公司債存根簿備置於中華民國境內之股務代理機構，股東得檢具利害關係證明文件，指定範圍，隨時請求查閱、 <u>抄錄或複製</u> ； <b>本公司並應令該等股務代理機構提供</b> 。	
Article 109	Subject to the Law and the Applicable Listing Rules, during the Relevant Period, within <b>seven (7)</b> days after <b>the</b> receipt of the <b>notice of a public tender offer to purchase the Shares by the Company or the designated representative for litigious and non-litigious matters of the Company in the R.O.C. appointed pursuant to the Applicable Listing Rules, the Board</b> shall <b>resolve to recommend the Members to either accept or object to the tender offer and</b> make a public announcement of the following: (a) the types, number and amount of <b>the Shares</b> held by the Directors and <b>the Members</b> holding more than	Subject to the Law and the Applicable Listing Rules, during the Relevant Period, within <b>fifteen (15)</b> days after receipt of the <b>copy of the public tender offer report form, the public tender offer prospectus, and relevant documents,</b> the Company shall make a public announcement of the following: (a) the types, number and amount of <b>shares</b> held by the Directors and <b>any Member</b> holding more than ten percent (10%) of the total issued and outstanding Shares; (b) the recommendations <b>made by the Board</b> to the	Amend the chapters about public acquisition referred to herein, in accordance with Taiwan' laws and regulations.

	<p>ten percent (10%) of the total issued and outstanding Shares <b><u>in its own name or in the name of other Persons;</u></b></p> <p>(b) the recommendations to the Members on <b><u>the</u></b> tender offer, which shall set forth the names of the Directors who abstain or object to the tender offer and the reason(s) therefore;</p> <p>(c) whether there is any material change in the financial condition of the Company after the delivery of its most recent financial report and <b><u>an explanation of the</u></b> change, if any; <b><u>and</u></b></p> <p>(d) the types, number and amount of the shares of the tender <b><u>offer</u></b> or its affiliates held by the Directors and the Members holding more than ten percent (10%) of the total issued and outstanding Shares <b><u>held in its own name or in the name of other Persons.</u></b></p>	<p>Members on <b><u>such</u></b> tender offer, which shall set forth the <b><u>identity and financial status of the tender offeror, fairness of the tender offer conditions, verification on rationality of source of fund for tender offer, and the</u></b> names of the Directors who abstain or object to the tender offer and the reason(s) therefore;</p> <p>(c) whether there is any material change in the financial condition of the Company after the delivery of its most recent financial report and <b><u>the contents of such</u></b> change, if any;</p> <p>(d) the types, number and amount of the shares of the tender <b><u>offeror</u></b> or its affiliates held by the Directors and the Members holding more than ten percent (10%) of the total issued and outstanding Shares; <b><u>and</u></b></p> <p><b><u>(e) other relevant significant information.</u></b></p>	
	<p>除開曼法令或上市（櫃）規範另有規定外，於掛牌期間，<b><u>董事會於本公司或本公司之訴訟及非訟代理人</u></b>，接獲依上市（櫃）規範作成之公開收購申報書副本及相關書件後<b><u>七日內</u></b>，<b><u>應對建議股東接受或反對本次收購做成決議</u></b>，並公告下列事項：</p> <p>(a) 董事及持有公司已發行股份超過百分之十之股東<b><u>自己或以他人名義</u></b>，所持有之股份種類及數量；</p> <p>(b) <b><u>就本次收購對股東之建議</u></b>，並應載明<b><u>持棄權</u></b>或<b><u>反對意見之董事姓名</u></b>及其所持理由；</p>	<p>除開曼法令或上市（櫃）規範另有規定外，於掛牌期間，<b><u>本公司</u></b>接獲依上市（櫃）規範作成之公開收購申報書副本、<b><u>公開收購說明書</u></b>及相關書件後<b><u>十五日內</u></b>公告下列事項：</p> <p>(a) 董事及持有<b><u>本公司</u></b>已發行股份超過百分之十之股東持有之股份種類、數量；</p> <p>(b) <b><u>董事會應就當次公開收購人身分與財務狀況、收購條件公平性，及收購資金來源合理性之查證情形</u></b>，對<b><u>本公司</u></b>股東<b><u>提供</u></b>建議，並應載明<b><u>董事同意</u></b>或<b><u>反對之明確意見</u></b>及其所持理由；</p>	

	<p>(c) 公司財務狀況於最近期財務報告提出後，有無重大變化及其變化<u>之說明</u>；及</p> <p>(d) 董事或持股超過百分之十之股東<u>自己及他人名義</u>持有公開收購人或其關係企業之股份種類及數量。</p>	<p>(c) <u>本公司</u>財務狀況於最近期財務報告提出後有無重大變化及其變化<u>內容</u>；</p> <p>(d) <u>現任</u>董事或持股超過百分之十之<u>大</u>股東持有公開收購人或其關係企業之股份種類、數量<u>及其金額</u>；<u>以及</u></p> <p>(e) <u>其他相關重大訊息</u>。</p>	
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\*The English version of the Company's amended Memorandum and Articles of Incorporation shall apply. The pure corrections of grammars or typos involving no substantial changes herein, or pure adjustment of literal text in the Chinese translation of the Memorandum and Articles of Incorporation are skipped accordingly.

## Attachment 7

### Comparative List of Amendments to the Rules and Procedures of Shareholders' Meetings

Before Amendments		After Amendments	Notes to Amendments
Chapters/Sections	Notes before Amendments	Notes after Amendments	
5.1.1	The shareholders' meeting of the Company shall, unless otherwise provided for in the laws or the Articles of Incorporation, be convened by the Board of Directors.	The shareholders' meeting of the Company shall, unless otherwise provided for in the laws or the Articles of Incorporation, be convened by the Board of Directors. The Board of Directors or other authorized conveners of shareholders' meetings may require the Company or its shareholder service agent to provide the roster of shareholders.	Add the procedure for convening a shareholders' meeting, according to the amendments to the "Checklist for Protection of Shareholders' Equity in Country Where the Foreign Issuer is Registered" by the letter under Tai-Zheng-Shang-2-Zi No. 1071703794.
5.1.5	Matters pertaining to election or discharge of directors, amendments to the Articles of Incorporation, dissolution, merger and division of the Company, or any matters as set forth in Paragraph I of Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of	Matters pertaining to election or discharge of directors, amendments to the Articles of Incorporation, reduction of capital, compulsory repurchase of the Company's shares for annulment pursuant to Paragraph 1 of Article 24 of the Articles of Incorporation, application for the approval of ceasing the Company's status as a public company, dissolution, merger and division of the	Add the requirements about reduction of capital, compulsory repurchase of the Company's shares for annulment pursuant to Paragraph 1 of Article

	Securities by Securities Issuers shall be itemized in the causes in the notice to convene a shareholders' meeting, and shall not be brought up as extemporary motions.	Company, or any matters as set forth in Paragraph I of Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a shareholders' meeting, 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.	24 of the Articles of Incorporation, and application for the approval of ceasing the Company's status as a public company, according to the amendments to the "Checklist for Protection of Shareholders' Equity in Country Where the Foreign Issuer is Registered" by the letter under Tai-Zheng-Shang-2-Zi No. 1071703794.
5.1.6	Shareholder(s) holding one percent (1%) or more of the total number of the Company's outstanding shares may propose to the Company a motion for discussion at a general shareholders' meeting, provided that only one matter shall be allowed in each single motion, and in case a motion contains more than one matter, such motion shall not be included in the agenda. Where the motion proposed by the shareholders meets any of the circumstances referred to in Paragraph 4 of Article 172-1	Shareholder(s) holding one percent (1%) or more of the total number of the Company's outstanding shares may propose to the Company a motion for discussion at a general shareholders' meeting, in writing or in an electronic form, provided that only one matter shall be allowed in each single motion, and in case a motion contains more than one matter, such motion shall not be included in the agenda. Unless the motion proposed by the shareholders meets any of the circumstances referred	Add the requirements about motion submitted in an electronic form and cancellation of the substantive examination on motions, according to the amendments to the "Checklist for Protection of Shareholders' Equity

	of the Company Act, the Board of Directors may not include the motion in the agenda.	to in Paragraph 4 of Article 172-1 of the Company Act, the Board of Directors shall include the motion in the agenda. Notwithstanding, the motion for urging the Company to promote public interests or fulfill its social responsibilities may still be included in the agenda to be discussed at a general shareholders' meeting by the Board of Directors, even if the motion meets any of the circumstances referred to in Paragraph 4 of Article 172-1 of the Company Act.	in Country Where the Foreign Issuer is Registered" by the letter under Tai-Zheng-Shang-2-Zi No. 1071703794.
5.7.2	The chairperson shall call the meeting to order at the appointed meeting time, provided that where the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement for no more than twice and for a combined total of no more than 1 hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one-thirds of the total number of issued shares, the chairperson shall declare the meeting adjourned.	The chairperson shall call the meeting to order at the appointed meeting time, provided that where the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement for no more than twice and for a combined total of no more than 1 hour. If the quorum is not met after two postponements and the attending shareholders still represent less than a majority of the total number of issued shares, the chairperson shall declare the meeting adjourned.	Modify the threshold for adjournment of meetings, according to the amendments to the "Checklist for Protection of Shareholders' Equity in Country Where the Foreign Issuer is Registered" by the letter under Tai-Zheng-Shang-2-Zi No. 1071703794.
5.7.3	If the quorum is not met after two postponements as referred to in Article 5.7.2 herein, but the attending shareholders represent one-thirds or more of the total number of issued shares, a tentative resolution may be	Deleted	Deleted, according to the amendments to the "Checklist for Protection of Shareholders' Equity

	adopted pursuant to Paragraph 1 of Article 175 of the Company Act, and all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within 1 month.		in Country Where the Foreign Issuer is Registered” by the letter under Tai-Zheng-Shang-2-Zi No. 1071703794.
5.7.4	When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.	Deleted	Deleted, according to the amendments to the “Checklist for Protection of Shareholders' Equity in Country Where the Foreign Issuer is Registered” by the letter under Tai-Zheng-Shang-2-Zi No. 1071703794.

## Attachment 8

### Comparative List of Amendments to the Regulations for the Election of Directors

Before Amendments		After Amendments	Notes to Amendments
Chapters/Sections	Notes before Amendments	Notes after Amendments	
5.3.1	<p>The election of directors of the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. In order to review the qualifications, educational background, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to the candidates for directors, the Company may not arbitrarily add requirements for documentation of other qualifications. The Company shall further provide the results of the review to shareholders for reference to elect qualified directors. As long as the Company is being listed, the election of independent directors shall adopt the candidate nomination system.</p>	<p>The election of directors of the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. Unless otherwise provided by laws and regulations, the Company may not arbitrarily require the documentation of other qualifications. The Company shall publish the name list of candidates for directors and their educational background and working experience until qualified directors are elected. Notwithstanding, as long as the Company is being listed, the election of all directors shall adopt the candidate nomination system.</p>	<p>Modify the requirements about a director's qualifications, according to the amendments to the "Checklist for Protection of Shareholders' Equity in Country Where the Foreign Issuer is Registered" by the letter under Tai-Zheng-Shang-2-Zi No. 1071703794.</p>



## Attachment 9

### Comparative List of Amendments to the Regulations Governing Acquisition or Disposition of Assets

Before Amendments		After Amendments	Notes to Amendments
Chapters/Sections	Notes before Amendments	Notes after Amendments	
3.1.2	Property and other fixed assets.	Property (including land, house and building, investment-based property and construction inventory) and equipment.	Add the definition of property, according to the amended Regulations Governing Acquisition and Disposition of Assets by Public Companies promulgated by the letter under Jin-Guan-Zheng-Fa-Zi No. 1070341072.
3.1.5	Added	Right-of-use assets	Add the right-of-use assets, according to the amended Regulations Governing Acquisition and Disposition of Assets by Public Companies promulgated by the letter under Jin-Guan-Zheng-Fa-Zi

			No. 1070341072.
3.2	<p>Derivatives:</p> <p>Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from assets, interest rate, foreign exchange rate, index or other interests, and hybrid contracts containing said instruments. The term "forward contracts" do not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, or long-term purchase (sales) contracts.</p>	<p>Derivatives:</p> <p>Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" do not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, or long-term purchase (sales) contracts.</p>	<p>Amend the definition of derivatives, according to the amended Regulations Governing Acquisition and Disposition of Assets by Public Companies promulgated by the letter under Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>
3.3	<p>Assets acquired or disposed through mergers, ....., or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Paragraph 8 of Article 156 of the Company Act.</p>	<p>Assets acquired or disposed through mergers, ....., or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.</p>	<p>Amend the text literally, according to the amended Regulations Governing Acquisition and Disposition of Assets by Public Companies promulgated by the letter under Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>
3.4	Related party	Related party/subsidiary: As defined in the Regulations	Simplify and amend the

<p>3.5 Consolidated</p>	<p>Any individual or entity that meets the circumstances referred to in IAS 24 “Related Party Disclosures” may be identified as the Company’s related party. Professional appraisers and their officers, certified public accounts, attorneys-at-law, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions may not be a related party of any party to the transaction. Subsidiaries As defined in Statement of Financial Accounting Standards Nos. 5 and 7 promulgated by the Accounting Research and Development Foundation.</p>	<p>Governing the Preparation of Financial Reports by Securities Issuers.</p>	<p>definitions of related party and subsidiary.</p>
<p>3.5</p>	<p>Professional appraiser Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or other fixed assets.</p>	<p>Professional appraiser Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.</p>	<p>Amend the definition of professional appraiser.</p>
<p>3.8</p>	<p>Added</p>	<p>Investment professional Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management</p>	<p>Add the requirements about investment professional, according to the amended Regulations Governing Acquisition and Disposition of Assets by Public</p>

		companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.	Companies promulgated by the letter under Jin-Guan-Zheng-Fa-Zi No. 1070341072.
3.9	Added	Securities exchange The domestic securities exchange refers to Taiwan Stock Exchange Corporation. The “foreign securities exchange” refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.	Add the definition of securities exchange, according to the amended Regulations Governing Acquisition and Disposition of Assets by Public Companies promulgated by the letter under Jin-Guan-Zheng-Fa-Zi No. 1070341072.
3.10	Added	Over-the-counter venue ("OTC venue", "OTC") The domestic OTC venue refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange. The “foreign OTC venue” refers to a venue at a financial institution that is regulated by the foreign competent securities authority and that is permitted to conduct securities business.	Add the definition of over-the-counter venue, according to the amended Regulations Governing Acquisition and Disposition of Assets by Public Companies promulgated

			by the letter under Jin-Guan-Zheng-Fa-Zi No. 1070341072.
5.1.2	<p>The Company shall specify the following items in its operating procedure for acquisition or disposition of assets, and handle the acquisition or disposition in accordance with the procedure:</p> <p>.....</p> <p>When engaging in any related party transaction or derivatives trading, or conducting a merger, demerger, acquisition, or transfer of shares of any enterprises, the Company shall follow the procedures referred to in Articles 5.3~5.5 of this Chapter, in addition to the requirements referred to in the preceding paragraph.</p> <p>The Company shall urge its subsidiaries to establish and implement the procedures for acquisition or disposition of assets in accordance with the Regulations.</p>	<p>The Company shall specify the following items in its operating procedure for acquisition or disposition of assets, and handle the acquisition or disposition in accordance with the procedure:</p> <p>.....</p> <p>When engaging in any related party transaction or derivatives trading, or conducting a merger, demerger, acquisition, or transfer of shares of any enterprises, the Company shall follow the procedures referred to in Articles 5.3~5.5 of this Chapter, in addition to the requirements referred to in the preceding paragraph.</p> <p>Where the Company does not intend to engage in derivatives trading, it may, after obtaining the approval of the Board of Directors, be exempted from establishing the operating procedure for derivatives trading. Where it subsequently wishes to engage in derivatives trading, it will still be required first to comply with the requirements referred to in the preceding article and the preceding paragraph before doing so.</p> <p>The Company shall urge its subsidiaries to establish and implement the procedures for acquisition or disposition</p>	<p>Amend the requirements about derivatives trading, according to the amended Regulations Governing Acquisition and Disposition of Assets by Public Companies promulgated by the letter under Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>

		of assets in accordance with the Regulations.	
5.2.1	<p>In acquiring or disposing of real property, equipment, or other fixed assets....., unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of machine and equipment held for business use,..... and shall further comply with the following provisions:</p> <p>Where due to special circumstances it is necessary to give a limited price, specific price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors. The same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p>	<p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or _right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(1) Where due to special circumstances it is necessary to give a limited price, specific price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors. The same shall apply whenever there is any subsequent change to the terms and conditions of the transaction.</p>	<p>Add the provisions about right-of-use assets, according to the amended Regulations Governing Acquisition and Disposition of Assets by Public Companies promulgated by the letter under Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>
5.2.3	<p>When acquiring or disposing of membership certificates or intangible assets and the amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall engage a certified public accountant prior to the date of occurrence of the</p>	<p>Where acquiring or disposing of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of the Company's paid-in capital or NT\$300 million or more, except in transactions with a domestic government</p>	<p>Add the provisions about right-of-use assets, according to the amended Regulations Governing Acquisition</p>

	event to provide an opinion regarding the reasonableness of the transaction price.	agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.	and Disposition of Assets by Public Companies promulgated by the letter under Jin-Guan-Zheng-Fa-Zi No. 1070341072.
5.2.6	Professional appraisers and their officers, certified public accounts, attorneys-at-law, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions may not be a related party of any party to the transaction.	Professional appraisers and their officers, certified public accounts, attorneys-at-law, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: (1) Never received a final and irrevocable sentence for imprisonment for 1 year or longer for a violation of the Act, Company Act, Banking Act of the Republic of China, Insurance Act, Financial Holding Company Act, or Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. Notwithstanding, this provision does not apply if 3 years have already passed since completion of service of the sentence, expiration of the period of a suspended sentence, or receipt of a pardon. (2) Not a related party or <i>de facto</i> related party of any party to the transaction.	Add the requirements about the qualification of a professional appraiser, according to the amended Regulations Governing Acquisition and Disposition of Assets by Public Companies promulgated by the letter under Jin-Guan-Zheng-Fa-Zi No. 1070341072.

		<p>(3) If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>(1) Prior to undertaking the case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(2) When examining the case, they shall appropriately plan and execute adequate operating procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related operating procedures, data collected, and conclusion shall be fully and accurately specified in the working paper for the case.</p> <p>(3) They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>(4) They shall issue a statement attesting to the professional competence and independence of the</p>	
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		<p>personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</p>	
5.3.2	<p>When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises,.....</p> <p>(3) With respect to the acquisition of real property from a related party, the information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 5.3.3 and Article 5.3.4 herein.</p> <p>With respect to the acquisition or disposition of the machine and equipment held for business use between the Company and its parent company or subsidiaries, the Company's Board of Directors may authorize the</p>	<p>When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises,.....</p> <p>(3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, the information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 5.3.3 and Article 5.3.4 herein.</p> <p>With respect to the following types of transactions conducted between the Company and its parent company or subsidiaries, or between its subsidiaries in</p>	<p>Add the provisions about right-of-use assets, according to the amended Regulations Governing Acquisition and Disposition of Assets by Public Companies promulgated by the letter under Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>

	<p>Chairman of Board to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the latest meeting of the Board of Directors:</p>	<p>which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may pursuant to Article 5.1.2(3) herein delegate the Chairman of Board to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the latest meeting of the Board of Directors:</p> <p>(1) Acquisition or disposition of equipment or right-of-use assets thereof held for business use.</p> <p>(2) Acquisition or disposition of real property held for business use.</p>	
5.3.3	<p>When acquiring real property from a related party, the Company shall evaluate the reasonableness of the transaction costs by the following means:</p> <p>.....</p> <p>Where land and buildings thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the buildings may be separately appraised by any of the means referred to in the preceding paragraph.</p> <p>When acquiring real property from a related party, the Company shall appraise the cost of the real property in accordance with Paragraph 1 and Paragraph 2, and shall also engage a CPA to check the appraisal and render a specific opinion.</p>	<p>When acquiring real property or right-of-use assets thereof from a related party, the Company shall evaluate the reasonableness of the transaction costs by the following means:</p> <p>...</p> <p>Where land and buildings thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the buildings may be separately appraised by any of the means referred to in the preceding paragraph.</p> <p>When acquiring real property or right-of-use assets thereof from a related party, the Company shall appraise the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs, and</p>	<p>Add the provisions about right-of-use, according to the amended Regulations Governing Acquisition and Disposition of Assets by Public Companies promulgated by the letter under Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>

	<p>Where the Company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 5.3.2, while the preceding three paragraphs do not apply:</p> <p>(1) Where the related party acquires the real property through inheritance or as a gift.</p> <p>(2) Where more than 5 years will elapse from the time the related party signs the contract to acquire the real property to the signing date for the current transaction.</p> <p>(3) Where the real property is acquired through signing of a joint development contract with the related party.</p>	<p>shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 5.3.2, while the preceding three paragraphs do not apply:</p> <p>(1) Where the related party acquires the real property or right-of-use assets thereof through inheritance or as a gift.</p> <p>(2) Where more than 5 years will elapse from the time the related party signs the contract to acquire the real property or right-of-use assets thereof to the signing date for the current transaction.</p> <p>) Where the real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.</p> <p>(4) Where the real property for business use are acquired by the Company with its parent company or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</p>	
5.3.4	(1-3) Completed transactions by other unrelated parties	(1-3) Deleted	Add the provisions

	<p>within the preceding year involving other floors of the same property, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor prices in accordance with the standard property market leasing practices.</p> <p>(2) Where the Company acquires real property from a related party and provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>The completed transactions involving neighboring or closely valued parcels of land referred to in the preceding paragraph in principle refer to those involving parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value. The transactions involving similarly sized parcels in principle refer to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction. “Within the preceding year” refers to one year preceding the date of occurrence of the acquisition of the real property.</p>	<p>(2) Where the Company acquires real property, or obtains right-of-use assets thereof through leasing, from a related party and provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>The completed transactions involving neighboring or closely valued parcels of land referred to in the preceding paragraph in principle refer to those involving parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value. The transactions involving similarly sized parcels in principle refer to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction. “Within the preceding year” refers to one year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.</p>	<p>about right-of-use assets, according to the amended Regulations Governing Acquisition and Disposition of Assets by Public Companies promulgated by the letter under Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>
5.3.5	Where the Company acquires real property from a	Where the Company acquires real property or	Add the provisions

	<p>related party and the results of appraisals conducted in accordance with Article 5.3.3 and Article 5.3.4 herein are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>(1) A special reserve shall be set aside in accordance with Paragraph 1 of Article 41 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares.</p> <p>.....</p> <p>Where the Company sets aside a special reserve under the preceding paragraph, the Company may not utilize the special reserve until it has recognized the loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>When the Company acquires real property from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition is not an arms-length transaction.</p>	<p>right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Article 5.3.3 and Article 5.3.4 herein are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>(1) A special reserve shall be set aside in accordance with Paragraph 1 of Article 41 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares.</p> <p>.....</p> <p>Where the Company sets aside a special reserve under the preceding paragraph, the Company may not utilize the special reserve until it has recognized the loss on decline in market value of the assets it purchased or leased at a premium, or the leasing contract has been terminated, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>When the Company acquires real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there</p>	<p>about right-of-use assets, according to the amended Regulations Governing Acquisition and Disposition of Assets by Public Companies promulgated by the letter under Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>
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		is other evidence indicating that the acquisition is not an arm's-length transaction.	
5.6.1	<p>(1) Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under re-purchase and re-sale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(4) Where equipment for business use is acquired or disposed of, and furthermore the trading counterpart is not a related party, and the transaction amount meets any of the following requirements:</p> <p>(5) Where the Company acquires or disposes of the real estate for construction use when engaging in the construction business, and furthermore the trading counterpart is not a related party, and the transaction amount reaches NT\$500 million.</p> <p>(6) Where land is acquired under an arrangement on engaging others to build on the Company's own</p>	<p>(1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(4) Where equipment for business use or right-of-use assets thereof are acquired or disposed of, and furthermore the trading counterpart is not a related party, and the transaction amount meets any of the following requirements:</p> <p>(5) Where the Company acquires or disposes of the real estate for construction use or right-of-use assets thereof when engaging in the construction business, and furthermore the trading counterpart is not a related</p>	<p>Add the provisions about right-of-use assets, according to the amended Regulations Governing Acquisition and Disposition of Assets by Public Companies promulgated by the letter under Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>

	<p>land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction reaches NT\$500 million.</p> <p>(7) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, the disposition of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of the Company's paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(7-1) Trading of government bonds.</p> <p>(7-2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics that are offered and issued in the primary market.</p>	<p>party, and the transaction amount reaches NT\$500 million. Among such cases, if the Company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the trading counterpart is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>(6) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the trading counterpart is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.</p> <p>(7) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, the disposition of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of the Company's paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p>	
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		(7-1) Trading of domestic government bonds (7-2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds.	
5.6.2	(3) The cumulative transaction amount of acquisitions and dispositions (cumulative acquisitions and dispositions, respectively) of real property under the same development project within the preceding year.	(3) The cumulative transaction amount of acquisitions and dispositions (cumulative acquisitions and dispositions, respectively) of real property or right-of-use assets thereof under the same development project within the preceding year.	Add the provisions about right-of-use assets, according to the amended Regulations Governing Acquisition and Disposition of Assets by Public Companies promulgated by the letter under Jin-Guan-Zheng-Fa-Zi No. 1070341072.
5.7.1	To calculate 20 percent of the paid-in capital or 10 percent of the total assets requiring public announcement and regulatory filing applicable to the subsidiaries referred to in the preceding paragraph, <del>the Company's paid-in capital shall apply.</del>	To calculate the paid-in capital or total assets requiring public announcement and regulatory filing applicable to the subsidiaries referred to in Article 5.6.1 herein, the Company's paid-in capital or total assets shall apply.	Amend the provisions about public announcement and regulatory filing, according to the amended Regulations



			Governing Acquisition and Disposition of Assets by Public Companies promulgated by the letter under Jin-Guan-Zheng-Fa-Zi No. 1070341072.
5.7.2	In the case of a foreign company whose shares have no par value or a par value other than NT\$10, for the calculation of transaction amounts of 20 percent of the paid-in capital Articles 5.2.1, 5.2.3, 5.3.2, 5.6.1 and 5.7.1 herein, 10 percent of the shareholders' equity shall apply.	For the calculation of 10 percent of the total assets herein, the total assets stated in the most recent entity or separate financial statements prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall apply. In the case of a company whose shares have no par value or a par value other than NT\$10, for the calculation of transaction amounts of 20 percent of the paid-in capital herein, 10 percent of equity attributable to owners of the parent shall apply; for calculations herein regarding transaction amounts relative to paid-in capital reaching NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall apply.	Amend the definitions of total assets and paid-in capital, according to the amended Regulations Governing Acquisition and Disposition of Assets by Public Companies promulgated by the letter under Jin-Guan-Zheng-Fa-Zi No. 1070341072.

**Attachment 10**

## Comparative List of Amendments to the Regulations Governing Engagement in Derivatives Trading

Before Amendments		After Amendments	Notes to Amendments
Chapters / Sections	Notes before Amendments	Notes after Amendments	
5.1	<p>Types and Scope of Transaction</p> <p>(1) The financial derivatives underwritten by the Company are limited to forward contracts and options contracts.</p> <p>(2) Upon amendments to the Regulations, among the derivatives which the Company may underwrite, the denominated currency shall be limited to the currency which may result in foreign exchange risk to the Company's operation.</p>	<p>Types and Scope of Transaction</p> <p>(1) The financial derivatives underwritten by the Company are limited to forward contracts, options contracts, futures contracts, and swap contracts.</p> <p>(2) Upon amendments to the Regulations, among the derivatives which the Company may underwrite, the foreign exchange-denominated currency shall be limited to the currency which may result in foreign exchange risk to the Company's operation, and the futures products are limited to the raw materials and supplies needed by the Company's operation.</p>	<p>In order to satisfy the actual needs and operations, the financial derivatives underwritten by the Company limited to forward contracts and options contracts initially are amended into forward contracts, options contracts, futures contracts, and swap contracts. The types of operational financial instruments are added in order to help the flexible application of heading</p>

			<p>strategies.</p> <p>Further, the denominated currency applicable to the derivatives which the Company may underwrite initially as limited to the currency which may result in foreign exchange risk to the Company's operation is amended into the foreign exchange-denominated currency limited to the currency which may result in foreign exchange risk to the Company's operation, and the futures products limited to the raw materials and supplies needed by the Company's operation. In addition to the</p>
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			foreign exchange operations, the futures products limited to the raw materials and supplies are added to target the cost price of raw materials and supplies and maintain stable profit.
5.2	<p>Business and Hedging Strategies</p> <p>Upon amendments to the Regulations, the Company may evade the foreign exchange risk potentially arising from normal operations by managing various derivatives transactions.</p> <p>In order to evade the foreign exchange risk potentially arising from operations, the Company may engage in the derivatives trading.</p>	<p>Business and Hedging Strategies</p> <p>Upon amendments to the Regulations, the Company may evade the foreign exchange and price risks potentially arising from normal operations by managing various derivatives transactions.</p> <p>In order to evade the foreign exchange and price risks potentially arising from operations, the Company may engage in the derivatives trading.</p>	<p>In response to the amendments to Article 5.1 herein, amend the evasion of the foreign exchange risk potentially arising from normal operations into the evasion of the foreign exchange and price risks potentially arising from normal operations, by adding the price risk into the purpose of the business and hedging strategies.</p>
5.3	Level of Authority and Limit of Trading	Level of Authority and Limit of Trading	In response to the

	(1) Authority for trading forward exchange			(1) Authority for trading forward contracts			amendments to Article 5.1 herein, amend the authority for trading forward and the authority for trading options under the Level of Authority and Limit of Trading section into the authority for trading forward contracts and the authority for trading options contracts, and also add the authority for trading futures contracts and the authority for trading swap contracts, while the Level of Authority and Limit of Trading remain unchanged.
	Level of authority	Authorized limit per transaction	Authorized limit per day	Level of authority	Authorized limit per transaction	Authorized limit per day	
	Manager of Financial Accounting Dept.	Less than US\$250,000 (inclusive)	Less than US\$500,000 (inclusive)	Manager of Financial Accounting Dept.	Less than US\$250,000 (inclusive)	Less than US\$500,000 (inclusive)	
	Vice General Manager of Financial Accounting Dept.	US\$250,000 (exclusive)~US\$500,000 (inclusive)	US\$500,000 (exclusive)~US\$1 million (inclusive)	Vice General Manager of Financial Accounting Dept.	US\$250,000 (exclusive)~US\$500,000 (inclusive)	US\$500,000 (exclusive)~US\$1 million (inclusive)	
	Chairman of Board	More than US\$500,000 (exclusive)	More than US\$1 million (exclusive)	Chairman of Board	More than US\$500,000 (exclusive)	More than US\$1 million (exclusive)	
	(2) Authority for trading options			Authority for trading options			
	Level of authority	Authorized limit per transaction	Authorized limit per day	Level of authority	Authorized limit per transaction	Authorized limit per day	
	Manager of Financial Accounting Dept.	Less than US\$250,000 (inclusive)	Less than US\$500,000 (inclusive)	Manager of Financial Accounting Dept.	Less than US\$250,000 (inclusive)	Less than US\$500,000 (inclusive)	
	Vice	US\$250,000	US\$500,000	Vice	US\$250,000	US\$500,000	

	General Manager of Financial Accounting Dept.	(exclusive)~US\$500,000 (inclusive)	(exclusive)~US\$1 million (inclusive)	General Manager of Financial Accounting Dept.	(exclusive)~US\$500,000 (inclusive)	(exclusive)~US\$1 million (inclusive)
	Chairman of Board	More than US\$500,000 (exclusive)	More than US\$1 million (exclusive)	Chairman of Board	More than US\$500,000 (exclusive)	More than US\$1 million (exclusive)
				(3) Authority for trading futures contracts		
				Level of authority	Authorized limit per transaction	Authorized limit per day
				Manager of Financial Accounting Dept.	Less than US\$250,000 (inclusive)	Less than US\$500,000 (inclusive)
				Vice General Manager of Financial Accounting Dept.	US\$250,000 (exclusive)~US\$500,000 (inclusive)	US\$500,000 (exclusive)~US\$1 million (inclusive)
				Chairman of Board	More than US\$500,000 (exclusive)	More than US\$1 million (exclusive)
				(4) Authority for trading swap contracts		
				Level of authority	Authorized limit per transaction	Authorized limit per day
				Manager of Financial	Less than US\$250,000 (inclusive)	Less than US\$500,000

		Accounting Dept.		(inclusive)	
		Vice General Manager of Financial Accounting Dept.	US\$250,000 (exclusive)~US\$500,000 (inclusive)	US\$500,000 (exclusive)~US\$1 million (inclusive)	
		Chairman of Board	More than US\$500,000 (exclusive)	More than US\$1 million (exclusive)	
5.6.2	<p>Division of responsibilities</p> <p>(1) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.</p> <p>(2) When the trading takes place, the personnel engaged in the trading shall complete the “forward exchange trading confirmation order” or “options trading confirmation order” immediately and hand the same over to the personnel engaged in the confirmation.</p>	<p>Division of responsibilities</p> <p>(1) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.</p> <p>(2) When the trading takes place, the personnel engaged in the trading shall complete the “forward contract trading confirmation order,” “options contract trading confirmation order,” “futures contract trading confirmation order” or “swap contract trading confirmation order” immediately, and hand the same over to the personnel engaged in the confirmation.</p>			<p>In response to the amendments to Article 5.1 herein, amend the document names under the division of responsibilities, such as the “forward exchange trading confirmation order” or “options trading confirmation order” into the “forward contract trading confirmation order,” “options contract</p>

			trading confirmation order,” “futures contract trading confirmation order” or “swap contract trading confirmation order,” while the other responsibilities remain unchanged.
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# MJ Group

Level of confidentiality: <input checked="" type="checkbox"/> General <input type="checkbox"/> Confidential	<b>Regulations Governing Engagement in Derivatives Trading</b>	Doc. No.  PLFA-A-101	Version  1.0	Page No.  89/153
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Production Business Unit  
  Administration  
  Marketing Business Unit  
  Other Units: \_\_\_\_\_

Remarks: If it is not necessary to distribute the Document throughout all of the business units, please specify it in the section of "Other Units."

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# MJ Group

Level of confidentiality: <input checked="" type="checkbox"/> General <input type="checkbox"/> Confidential	<b>Regulations Governing Engagement in Derivatives Trading</b>	Doc. No.	Version	Page No.
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## 1 Purpose

The Regulations are enacted in order to manage the risk arising from the Company's derivatives trading effectively. Any matters not covered herein shall be implemented in accordance with related laws and regulations.

## 2 Scope

2.1 The Regulations are applicable to Dongguan Prolong Plastic Products Co., Ltd..

## 3 Definition

Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from assets, interest rate, foreign exchange rate, index or other interests, and hybrid contracts containing said instruments. The term "forward contracts" do not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, or long-term purchase (sales) contracts.

## 4 Responsibilities

4.1 The financial accounting unit is dedicated to enacting and revising the Regulations.

4.2 The Company's financial accounting unit shall comply with the Regulations when engaging in derivatives trading.

## 5 Job Contents

### 5.1 Types and Scope of Transaction

(1) The financial derivatives underwritten by the Company are limited to forward contracts, options contracts, futures contracts, and swap contracts.

(2) Upon amendments to the Regulations, among the derivatives which the Company may underwrite, the foreign exchange-denominated currency shall be limited to the currency which may result in foreign exchange risk to the Company's operation, and the futures products are limited to the raw materials and supplies needed by the Company's operation.

### 5.2 Business and Hedging Strategies

Upon amendments to the Regulations, the Company may evade the foreign exchange and price risks potentially arising from normal operations by managing various derivatives transactions.

In order to evade the foreign exchange and price risks potentially arising from operations, the Company may engage in the derivatives trading.

### 5.3 Level of Authority and Limit of Trading

(1) Authority for trading forward contracts

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Level of authority	Authorized limit per transaction	Authorized limit per day
Manager of Financial Accounting Dept.	Less than US\$250,000 (inclusive)	Less than US\$500,000 (inclusive)
Vice General Manager of Financial Accounting Dept.	US\$250,000 (exclusive) ~ US\$500,000 (inclusive)	US\$500,000 (exclusive) ~ US\$1 million (inclusive)
Chairman of Board	More than US\$500,000 (exclusive)	More than US\$1 million (exclusive)

## (2) Authority for trading options contracts

Level of authority	Authorized limit per transaction	Authorized limit per day
Manager of Financial Accounting Dept.	Less than US\$250,000 (inclusive)	Less than US\$500,000 (inclusive)
Vice General Manager of Financial Accounting Dept.	US\$250,000 (exclusive) ~ US\$500,000 (inclusive)	US\$500,000 (exclusive) ~ US\$1 million (inclusive)
Chairman of Board	More than US\$500,000 (exclusive)	More than US\$1 million (exclusive)

## (3) Authority for trading futures contracts

Level of authority	Authorized limit per transaction	Authorized limit per day
Manager of Financial Accounting Dept.	Less than US\$250,000 (inclusive)	Less than US\$500,000 (inclusive)
Vice General Manager of Financial Accounting Dept.	US\$250,000 (exclusive) ~ US\$500,000 (inclusive)	US\$500,000 (exclusive) ~ US\$1 million (inclusive)
Chairman of Board	More than US\$500,000 (exclusive)	More than US\$1 million (exclusive)

## (4) Authority for trading swap contracts

Level of authority	Authorized limit per transaction	Authorized limit per day
Manager of Financial Accounting Dept.	Less than US\$250,000 (inclusive)	Less than US\$500,000 (inclusive)
Vice General Manager of Financial Accounting Dept.	US\$250,000 (exclusive) ~ US\$500,000 (inclusive)	US\$500,000 (exclusive) ~ US\$1 million (inclusive)
Chairman of Board	More than US\$500,000 (exclusive)	More than US\$1 million (exclusive)

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## 5.4 Limit of Loss from Transactions

When the Company engages in any derivatives trading, the loss from all of the contracts shall be no more than 20% of the amount of all of the contracts, and the loss on individual contract shall be no more than 20% of the individual contract amount. Otherwise, it is necessary to report the President and Chairman of Board immediately, and also to the Board of Directors of M.J. International Co. Ltd. (hereinafter referred to as “Cayman Mei Jer”) to negotiate for the necessary countermeasures.

## 5.5 Performance Evaluation

The positions held by derivative trading shall be evaluated at least for once per week, or twice per month in the case of the hedging transactions demanded by the business. The evaluation report shall be submitted to the senior management authorized by the Board of Directors of “Cayman Mei Jer”). Where the evaluation report shows any abnormality, the senior management authorized by the Board of Directors of “Cayman Mei Jer” shall report the same to the Board of Directors of “Cayman Mei Jer and take any necessary actions. Where any independent director is appointed by “Cayman Mei Jer”, the independent director shall attend the meeting of the Board of Directors of “Cayman Mei Jer” to state his/her opinion.

## 5.6 Internal Control System

### 5.6.1 Risk management

#### (1) Credit risk

The Company’s trading counterparts are limited to the banks trading with the Company or international renowned financial institutions, which are able to provide professional information.

#### (2) Market price risk

The Company shall control the price risk over financial derivatives due to changes of interest rate and foreign exchange rate or any other factors from time to time.

#### (3) Liquidity risk

In order to ensure the liquidity, the Company’s trading counterparts shall own sufficient equipment, information and ability to trade, in order to engage in trading in any market.

#### (4) Cash flow risk

The Company shall maintain sufficient quick assets and financing facilities to satisfy the need for settlement.

#### (5) Operational risk

The Company shall expressly define the authorized facilities and operating procedures to evade the operational risk.

#### (6) Legal risk

All of the instruments to be signed by the Company with its trading counterparts shall be subject to the prior review by the in-house paralegals before the same are signed officially, in order to evade the legal risk.

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## 5.6.2 Division of responsibilities

- (1) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
- (2) When the trading takes place, the personnel engaged in the trading shall complete the “forward contract confirmation order,” “options contract confirmation order,” “futures contract confirmation order” or “swap contract confirmation order” immediately, and hand the same over to the personnel engaged in confirmation.

## 5.7 Internal audit system

5.7.1 The internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives trading and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the Regulations for engaging in derivatives trading, and prepare an audit report. Any material violation as discovered shall be notified to the Audit Committee of “Cayman Mei Jer” in writing.

5.7.2 The Company, when engaging in derivatives trading, shall establish a log book in which details of the types and amounts of derivatives trading engaged in, the date of approval by the Board of Directors of “Cayman Mei Jer” shall be recorded in detail in the log book.

5.7.3 Where any of the Company’s subsidiaries wishes to engage in derivatives trading, the Company shall urge it to establish the procedures for the derivatives trading, and submit the same to the Audit Committee and/or Board of Directors of “Cayman Mei Jer” for resolution and implementation pursuant to the relevant requirements. Where any of the Company’s subsidiaries wishes to engage in derivatives trading, it shall provide related information to the Company for the purpose of audit periodically.

## 5.8 Supervision and management by Board of Directors of “Cayman Mei Jer”

5.8.1 The limit on the total amount of derivatives trading conducted by the Company shall be subject to prior approval by the Board of Directors of “Cayman Mei Jer.”

5.8.2 The designated senior management shall keep supervising and controlling the derivatives trading risks.

5.8.3 Periodically assess whether or not the performance of derivatives trading satisfies the existing business strategies and whether or not the relevant risks may be acceptable by the Company reasonably.

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5.8.4 The senior management personnel authorized by the Board of Directors of “Cayman Mei Jer” shall manage derivatives trading in accordance with the following principles:

- (1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with the procedures for engaging in derivatives trading formulated under the Regulations.
- (2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors of “Cayman Mei Jer;” where it has independent directors, the dependent directors shall be present at the meeting of the Board of Directors of “Cayman Mei Jer” to express their opinion.

5.8.5 The Company shall report to the Board of Directors of “Cayman Mei Jer” after it authorizes the relevant personnel to handle derivatives trading in accordance with the Regulations.

## 5.9 Public announcement and regulatory filing procedures

5.9.1 The Company shall complete the public announcement and regulatory filing of the monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any of its subsidiaries that is not a domestic public company pursuant to related laws and regulations on a monthly basis.

5.9.2 In addition to the requirements referred to in the preceding paragraph, any other matters subject to the public announcement and regulatory filing required by laws shall be implemented in accordance with related requirements. Where any of the Company’s subsidiaries that is not a domestic public company meets any circumstances referred to herein, the Company shall complete the public announcement and regulatory filing on its behalf.

5.9.3 When the Company at the time of public announcement makes an error or omission in an item required to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety.

5.9.4 The public and regulatory filing procedures referred to herein shall be applicable upon the public offering.

## 5.10 Penalty

The Company’s managers and personnel in charge who violate the Regulations and thereby cause material damage to the Company, if any, shall be reported to their immediate supervisors and supreme financial officers immediately and disciplined in accordance with the Company’s administrative and personnel regulations. Where they are proven to violate the Regulations

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intentionally and thereby cause damage to the Company, the Company shall discipline them in accordance with the relevant administrative and personnel regulations and systems and also claim the loss suffered by the Company therefor against them, and report the resolution to the latest meeting of the Board of Directors of “Cayman Mei Jer.”

## 5.11 Amendments and publication

The Regulations shall be enforced upon approval by the Board of Directors of “Cayman Mei Jer.” The same shall apply where the Regulations are amended. The enactment of or amendments to the Regulations shall be subject to agreement by a majority of the whole Audit Committee members of “Cayman Mei Jer,” and also agreement by the Board of Directors of “Cayman Mei Jer.” Notwithstanding, the same may also be subject to agreement by more than two-thirds of the whole directors instead of a majority of the whole Audit Committee members of “Cayman Mei Jer,” and the resolution made by the Audit Committee of “Cayman Mei Jer” shall be specified in the minutes of the meeting of the Board of Directors of “Cayman Mei Jer.”

## 6. Related forms

None

## 7. Related documents

None

## 8. Attachments

None





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## 1 Purpose

The Regulations are enacted in order to manage the risk arising from the Company's derivatives trading effectively. Any matters not covered herein shall be implemented in accordance with related laws and regulations.

## 2 Scope

2.1 The Regulations are applicable to Dongguan Mei Jer Plastic Products Co., Ltd..

## 3 Definition

Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from assets, interest rate, foreign exchange rate, index or other interests, and hybrid contracts containing said instruments. The term "forward contracts" do not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, or long-term purchase (sales) contracts.

## 4 Responsibilities

4.1 The financial accounting unit is dedicated to enacting and revising the Regulations.

4.2 The Company's financial accounting unit shall comply with the Regulations when engaging in derivatives trading.

## 5 Job Contents

### 5.1 Types and Scope of Transaction

(1) The financial derivatives underwritten by the Company are limited to forward contracts, options contracts, futures contracts, and swap contracts.

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### 5.2 Business and Hedging Strategies

Upon amendments to the Regulations, the Company may evade the foreign exchange and price risks potentially arising from normal operations by managing various derivatives transactions.

In order to evade the foreign exchange and price risks potentially arising from operations, the Company may engage in the derivatives trading.

### 5.3 Level of Authority and Limit of Trading

(1) Authority for trading forward contracts

Level of authority	Authorized limit per transaction	Authorized limit per day
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Manager of Financial Accounting Dept.	Less than US\$250,000 (inclusive)	Less than US\$500,000 (inclusive)
Vice General Manager of Financial Accounting Dept.	US\$250,000 (exclusive)~US\$500,000 (inclusive)	US\$500,000 (exclusive)~US\$1 million (inclusive)
Chairman of Board	More than US\$500,000 (exclusive)	More than US\$1 million (exclusive)

## (2) Authority for trading options contracts

Level of authority	Authorized limit per transaction	Authorized limit per day
Manager of Financial Accounting Dept.	Less than US\$250,000 (inclusive)	Less than US\$500,000 (inclusive)
Vice General Manager of Financial Accounting Dept.	US\$250,000 (exclusive)~US\$500,000 (inclusive)	US\$500,000 (exclusive)~US\$1 million (inclusive)
Chairman of Board	More than US\$500,000 (exclusive)	More than US\$1 million (exclusive)

## (3) Authority for trading futures contracts

Level of authority	Authorized limit per transaction	Authorized limit per day
Manager of Financial Accounting Dept.	Less than US\$250,000 (inclusive)	Less than US\$500,000 (inclusive)
Vice General Manager of Financial Accounting Dept.	US\$250,000 (exclusive)~US\$500,000 (inclusive)	US\$500,000 (exclusive)~US\$1 million (inclusive)
Chairman of Board	More than US\$500,000 (exclusive)	More than US\$1 million (exclusive)

## (4) Authority for trading swap contracts

Level of authority	Authorized limit per transaction	Authorized limit per day
Manager of Financial Accounting Dept.	Less than US\$250,000 (inclusive)	Less than US\$500,000 (inclusive)
Vice General Manager of Financial Accounting Dept.	US\$250,000 (exclusive)~US\$500,000 (inclusive)	US\$500,000 (exclusive)~US\$1 million (inclusive)
Chairman of Board	More than US\$500,000 (exclusive)	More than US\$1 million (exclusive)

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## 5.4 Limit of Loss from Transactions

When the Company engages in any derivatives trading, the loss from all of the contracts shall be no more than 20% of the amount of all of the contracts, and the loss on individual contract shall be no more than 20% of the individual contract amount. Otherwise, it is necessary to report the President and Chairman of Board immediately, and also to the Board of Directors of M.J. International Co. Ltd. (hereinafter referred to as “Cayman Mei Jer”) to negotiate for the necessary countermeasures.

## 5.5 Performance Evaluation

The positions held by derivative trading shall be evaluated at least for once per week, or twice per month in the case of the hedging transactions demanded by the business. The evaluation report shall be submitted to the senior management authorized by the Board of Directors of “Cayman Mei Jer”). Where the evaluation report shows any abnormality, the senior management authorized by the Board of Directors of “Cayman Mei Jer” shall report the same to the Board of Directors of “Cayman Mei Jer and take any necessary actions. Where any independent director is appointed by “Cayman Mei Jer”, the independent director shall attend the meeting of the Board of Directors of “Cayman Mei Jer” to state his/her opinion.

## 5.6 Internal Control System

### 5.6.1 Risk management

#### (1) Credit risk

The Company’s trading counterparts are limited to the banks trading with the Company or international renowned financial institutions, which are able to provide professional information.

#### (2) Market price risk

The Company shall control the price risk over financial derivatives due to changes of interest rate and foreign exchange rate or any other factors from time to time.

#### (3) Liquidity risk

In order to ensure the liquidity, the Company’s trading counterparts shall own sufficient equipment, information and ability to trade, in order to engage in trading in any market.

#### (4) Cash flow risk

The Company shall maintain sufficient quick assets and financing facilities to satisfy the need for settlement.

#### (5) Operational risk

The Company shall expressly define the authorized facilities and operating procedures to evade the operational risk.

#### (6) Legal risk

All of the instruments to be signed by the Company with its trading counterparts shall

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be subject to the prior review by the in-house paralegals before the same are signed officially, in order to evade the legal risk.

## 5.6.2 Division of responsibilities

- (1) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
- (2) When the trading takes place, the personnel engaged in the trading shall complete the “forward contract confirmation order,” “options contract confirmation order,” “futures contract confirmation order” or “swap contract confirmation order” immediately, and hand the same over to the personnel engaged in confirmation.

## 5.7 Internal audit system

5.7.1 The internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives trading and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the Regulations for engaging in derivatives trading, and prepare an audit report. Any material violation as discovered shall be notified to the Audit Committee of “Cayman Mei Jer” in writing.

5.7.2 The Company, when engaging in derivatives trading, shall establish a log book in which details of the types and amounts of derivatives trading engaged in, the date of approval by the Board of Directors of “Cayman Mei Jer” shall be recorded in detail in the log book.

5.7.3 Where any of the Company’s subsidiaries wishes to engage in derivatives trading, the Company shall urge it to establish the procedures for the derivatives trading, and submit the same to the Audit Committee and/or Board of Directors of “Cayman Mei Jer” for resolution and implementation pursuant to the relevant requirements. Where any of the Company’s subsidiaries wishes to engage in derivatives trading, it shall provide related information to the Company for the purpose of audit periodically.

## 5.8 Supervision and management by Board of Directors of “Cayman Mei Jer”

5.8.1 The limit on the total amount of derivatives trading conducted by the Company shall be subject to prior approval by the Board of Directors of “Cayman Mei Jer.”

5.8.2 The designated senior management shall keep supervising and controlling the derivatives trading risks.

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5.8.3 Periodically assess whether or not the performance of derivatives trading satisfies the existing business strategies and whether or not the relevant risks may be acceptable by the Company reasonably.

5.8.4 The senior management personnel authorized by the Board of Directors of “Cayman Mei Jer” shall manage derivatives trading in accordance with the following principles:

- (1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with the procedures for engaging in derivatives trading formulated under the Regulations.
- (2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors of “Cayman Mei Jer;” where it has independent directors, the dependent directors shall be present at the meeting of the Board of Directors of “Cayman Mei Jer” to express their opinion.

5.8.5 The Company shall report to the Board of Directors of “Cayman Mei Jer” after it authorizes the relevant personnel to handle derivatives trading in accordance with the Regulations.

## 5.9 Public announcement and regulatory filing procedures

5.9.1 The Company shall complete the public announcement and regulatory filing of the monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any of its subsidiaries that is not a domestic public company pursuant to related laws and regulations on a monthly basis.

5.9.2 In addition to the requirements referred to in the preceding paragraph, any other matters subject to the public announcement and regulatory filing required by laws shall be implemented in accordance with related requirements. Where any of the Company’s subsidiaries that is not a domestic public company meets any circumstances referred to herein, the Company shall complete the public announcement and regulatory filing on its behalf.

5.9.3 When the Company at the time of public announcement makes an error or omission in an item required to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety.

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5.9.4 The public and regulatory filing procedures referred to herein shall be applicable upon the public offering.

## 5.10 Penalty

The Company's managers and personnel in charge who violate the Regulations and thereby cause material damage to the Company, if any, shall be reported to their immediate supervisors and supreme financial officers immediately and disciplined in accordance with the Company's administrative and personnel regulations. Where they are proven to violate the Regulations intentionally and thereby cause damage to the Company, the Company shall discipline them in accordance with the relevant administrative and personnel regulations and systems and also claim the loss suffered by the Company therefor against them, and report the resolution to the latest meeting of the Board of Directors of "Cayman Mei Jer."

## 5.11 Amendments and publication

The Regulations shall be enforced upon approval by the Board of Directors of "Cayman Mei Jer." The same shall apply where the Regulations are amended. The enactment of or amendments to the Regulations shall be subject to agreement by a majority of the whole Audit Committee members of "Cayman Mei Jer," and also agreement by the Board of Directors of "Cayman Mei Jer." Notwithstanding, the same may also be subject to agreement by more than two-thirds of the whole directors instead of a majority of the whole Audit Committee members of "Cayman Mei Jer," and the resolution made by the Audit Committee of "Cayman Mei Jer" shall be specified in the minutes of the meeting of the Board of Directors of "Cayman Mei Jer."

## 6 Related forms

None

## 7. Related documents

None

## 8. Attachments

None

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## Comparative List of Amendments to the Regulations Governing Financing Provided to Others

Before Amendments		After Amendments	Notes to Amendments
Chapters /Sections	Notes before Amendments	Notes after Amendments	
5.3	<p>Permittable borrowers</p> <p>No financing shall be provided to others, unless the financing is provided to others (hereinafter referred to as the “borrowers”) pursuant to the Regulations where short-term financing is needed by the Company due to business transactions or by a subsidiary in which the Company holds more than 50% of the shares.</p> <p>The term "short-term" as used in the preceding paragraph means one year. Notwithstanding, where the Company's operating cycle exceeds one year, it shall refer to one operating cycle.</p>	<p>Permittable borrowers</p> <p>No financing shall be provided to others, unless the financing is provided to others (hereinafter referred to as the “borrowers”) pursuant to the Regulations where short-term financing is needed by the Company due to business transactions or by a subsidiary in which the Company holds more than 50% of the shares.</p> <p>The term "short-term" as used in the preceding paragraph means one year. Notwithstanding, where the Company's operating cycle exceeds one year, it shall refer to one operating cycle.</p> <p>The loans between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares shall persist no more than 3 years.</p>	<p>Add the provision requiring that the loans between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares shall persist no more than 3 years, according to the amended “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” promulgated by the letter under Jin-Guan-Zheng-Shen-Zi No. 1080304826.</p>
5.7	<p>Duration of loans and calculation of interest</p> <p>The financing requested by any borrower from the Company shall persist for no more than one year.</p> <p>The interest accruing on the financing provided by the Company shall be no less than the average interest rate on short-term loans adopted by financial institutions and shall accrue on a monthly basis. In the case of any special circumstance, the rate may be adjusted, if necessary, upon</p>	<p>Duration of loans and calculation of interest</p> <p>The financing requested by any borrower from the Company shall persist for no more than one year. Notwithstanding, the same shall not apply the loans between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares.</p> <p>The interest accruing on the financing provided by the Company shall be no less than the average interest rate on</p>	<p>Add the provision requiring that the loans between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares shall</p>

	approval of the Board of Directors.	short-term loans adopted by financial institutions and shall accrue on a monthly basis. In the case of any special circumstance, the rate may be adjusted, if necessary, upon approval of the Board of Directors.	be no be limited to 1 year, according to the amended "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by the letter under Jin-Guan-Zheng-Shen-Zi No. 1080304826.
5.8.2	The financial unit shall conduct credit investigation on the borrowers, and shall assess the business risk, financial position and effect on shareholders' equity after the financing is provided and submit its opinion to a meeting of Board of Directors. The Company shall also take into full consideration each independent director's opinions, and the independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the meeting of Board of Directors.	The financial unit shall conduct credit investigation on the borrowers, and shall assess the business risk, financial position and effect on shareholders' equity after the financing is provided, and submit its opinion to a meeting of Board of Directors for resolution upon agreement of a majority of the whole Audit Committee members. The same may be also subject to agreement by more than two-thirds of the whole directors instead of a majority of the whole Audit Committee members, and the resolution made by the Audit Committee shall be specified in the minute of the meeting of Board of Directors.	Expressly state the requirements about decision making and level of authority, according to the amended "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by the letter under Jin-Guan-Zheng-Shen-Zi No. 1080304826.
5.9	Public announcement and regulatory filing procedures: "Date of occurrence" referred to herein means the date of trading contract signing, date of payment, dates of resolution made by boards of directors, or other date that can confirm the trading counterpart and trading value, whichever date is earlier.	Public announcement and regulatory filing procedures: "Date of occurrence" referred to herein means the date of contract signing, date of payment, dates of resolution made by boards of directors, or other date that can confirm the borrowers and value, whichever date is earlier.	Amend the text literally, according to the amended "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies"

			promulgated by the letter under Jin-Guan-Zheng-Shen-Zi No. 1080304826.
5.11	<p>Procedure for control over subsidiaries</p> <p>Where any subsidiary of the Company intends to provide financing to others, it shall formulate its own “Operating Procedure for Financing Provided to Others” and submit the same to the Company’s Board of Directors for approval, and shall comply with the Procedure when providing financing to others. The Operating Procedure for Financing Provided to Others formulated by it shall be based on the relevant requirements referred to herein.</p>	<p>Procedure for control over subsidiaries</p> <p>Where any of the Company’s subsidiaries intends to provide financing to others, it shall formulate its own “Operating Procedure for Financing Provided to Others”. Said Procedure shall be subject to agreement by a majority of the whole Audit Committee members of the Company, and may be implemented upon resolution by the Board of Directors. The same shall apply where the Procedure is amended. Notwithstanding, the same may be also subject to agreement by more than two-thirds of the whole directors instead of a majority of the whole Audit Committee members, and the resolution made by the Audit Committee shall be specified in the minute of the meeting of Board of Directors. It shall formulate its own “Operating Procedure for Financing Provided to Others” in accordance with the relevant requirements referred to herein, and provide related information to the Company periodically for the purpose of audit.</p>	<p>Add the operating procedure for financing provided to others by the Company’s subsidiaries, according to the amended “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” promulgated by the letter under Jin-Guan-Zheng-Shen-Zi No. 1080304826.</p>
5.14	<p>The Regulations shall be subject to agreement by the Audit Committee and submitted to the Board of Directors for resolution pursuant to relevant requirements. Then, the Regulations shall be enforced upon approval by a shareholders’ meeting. Where any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinion to the Audit Committee and for discussion by a shareholders' meeting. The same shall apply where the Regulations are amended.</p>	<p>The Regulations shall be subject to agreement by a majority of the whole Audit Committee members and submitted to the Board of Directors for resolution pursuant to relevant requirements. Notwithstanding, the same may be also subject to agreement by more than two-thirds of the whole directors instead of a majority of the whole Audit Committee members, and the resolution made by the Audit Committee shall be specified in the minute of the meeting of Board of Directors. Then, the Regulations shall be enforced upon approval by a shareholders’ meeting. The same shall apply</p>	<p>Amend the procedures for enforcing and amending the Regulations, according to the amended “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” promulgated by the letter under Jin-Guan-Zheng-Shen-Zi No. 1080304826.</p>

		where the Regulations are amended.	
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Attachment 11-1

## Comparative List of Amendments to the Regulations Governing Endorsement/Guarantee

Before Amendments		After Amendments	
Chapters/Sections	Notes before Amendments	Notes after Amendments	Notes to Amendments
4.3.3	Where the Company has established the position of independent director, when it makes endorsements/guarantees for others, it shall take into full consideration each independent director's opinions, and the independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the meeting of Board of Directors.	The endorsement/guarantee provided by the Company for others shall be subject to agreement by a majority of the whole Audit Committee members and submitted to the Board of Directors for resolution. Notwithstanding, the same may be also subject to agreement by more than two-thirds of the whole directors instead of a majority of the whole Audit Committee members, and the resolution made by the Audit Committee shall be specified in the minute of the meeting of Board of Directors.	Expressly state the requirements about decision making and level of authority, according to the amended "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by the letter under Jin-Guan-Zheng-Shen-Zi No. 1080304826.
4.6	Public announcement and regulatory filing procedures: The Company shall complete the public announcement and regulatory filing procedures per the requirement by FSC in Taiwan, upon any public offering.	Public announcement and regulatory filing procedures:	Delete unnecessary provisions, since the Company has become a public company.
4.6.2	(3) The amount of endorsement/guarantee provided by the Company and its subsidiaries for any single entity reaches NT\$10 million, and the aggregate amount of the endorsement/guarantee, long-term	(3) The amount of endorsement/guarantee provided by the Company and its subsidiaries for any single entity reaches NT\$10 million, and the aggregate amount of the endorsement/guarantee, carrying	Expressly define the long-term investment, according to the amended "Regulations Governing Loaning of Funds and

	investment, and balance of loan to the entity reaches 30% or more of the Company's net worth as stated in its most recent financial statements.	amount of the investment under equity method, and balance of loan to the entity reaches 30% or more of the Company's net worth as stated in its most recent financial statements.	Making of Endorsements/Guarantees by Public Companies" promulgated by the letter under Jin-Guan-Zheng-Shen-Zi No. 1080304826.
4.6.3	"Date of occurrence" referred to herein means the date of trading contract signing, date of payment, dates of resolution made by boards of directors, or other date that can confirm the trading counterpart and trading value, whichever date is earlier.	"Date of occurrence" referred to herein means the date of contract signing, date of payment, dates of resolution made by boards of directors, or other date that can confirm the endorsed/guaranteed party and trading value, whichever date is earlier.	Amend the text literally, according to the amended "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by the letter under Jin-Guan-Zheng-Shen-Zi No. 1080304826.
4.7.3	Where the Company needs to exceed the limits set out herein to satisfy its business requirements, and where the conditions set out herein are complied with, it shall obtain approval from the Board of Directors and a majority of the directors shall act as joint guarantors for any loss that may be caused to the Company by the excess endorsement/guarantee. Meanwhile, the Procedure shall be amended and reported to the shareholders' meeting for ratification. Where the shareholders' meeting does not give consent, the Company shall adopt a plan to discharge the amount in excess within a given time limit. Where the Company has established	Where the Company needs to exceed the limits set out herein to satisfy its business requirements, and where the conditions set out herein are complied with, it shall obtain approval from the Board of Directors and a majority of the directors shall act as joint guarantors for any loss that may be caused to the Company by the excess endorsement/guarantee. Meanwhile, the Procedure shall be amended and reported to the shareholders' meeting for ratification. Where the shareholders' meeting does not give consent, the Company shall adopt a plan to discharge the amount in excess within a given time limit. During the discussion by the Board	Amend the way to make resolution against the amount in excess, according to the amended "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by the letter under Jin-Guan-Zheng-Shen-Zi No. 1080304826.

	the position of independent director, when the Board of Directors proceeds with the discussion referred to in the preceding paragraph, the Company shall take into full consideration each independent director's opinions, and the independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the meeting of Board of Directors.	of Directors referred to in the preceding paragraph, the same may be also subject to agreement by more than two-thirds of the whole directors instead of a majority of the whole Audit Committee members, and the resolution made by the Audit Committee shall be specified in the minute of the meeting of Board of Directors.	
4.7.4	Added	Where any of the Company's subsidiaries wishes to provide endorsement/guarantee for others, it shall establish its "Regulations Governing Endorsement/Guarantee." Said Regulations shall be subject to agreement by a majority of the whole Audit Committee members of the Company, and may be implemented upon resolution by the Board of Directors. The same shall apply where the Regulations are amended. Notwithstanding, the same may be also subject to agreement by more than two-thirds of the whole directors instead of a majority of the whole Audit Committee members, and the resolution made by the Audit Committee shall be specified in the minute of the meeting of Board of Directors. It shall enact its own "Regulations Governing Endorsement/Guarantee" in accordance with the relevant requirements referred to herein, and provide related information to the Company periodically for the purpose of audit.	Add the operating procedures for endorsement/guarantee made by the Company's subsidiaries, according to the amended "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by the letter under Jin-Guan-Zheng-Shen-Zi No. 1080304826.
5.	Effect and Amendments The Regulations shall be submitted to a	Effect and Amendments The Regulations shall be subject to agreement	Amend the procedures for enforcing and

	<p>shareholder's meeting for ratification upon approval by the Board of Directors. The same shall apply where the Regulations are amended. Where the Company has established the position of independent director and reported the procedures to the Board of Directors for discussion pursuant to the requirements referred to in the preceding paragraph, the Company shall take into full consideration each independent director's opinions, and the independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the meeting of Board of Directors.</p>	<p>by a majority of the whole Audit Committee members and submitted to the Board of Directors for resolution pursuant to relevant requirements. Notwithstanding, the same may be also subject to agreement by more than two-thirds of the whole directors instead of a majority of the whole Audit Committee members, and the resolution made by the Audit Committee shall be specified in the minute of the meeting of Board of Directors. Then, the Regulations shall be enforced upon approval by a shareholders' meeting. The same shall apply where the Regulations are amended.</p>	<p>amending the Regulations, according to the amended "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by the letter under Jin-Guan-Zheng-Shen-Zi No. 1080304826.</p>
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Appendix I.

Company Number: 246306

THE CAYMAN ISLANDS  
THE COMPANIES LAW (AS REVISED)  
EIGHTH AMENDED AND RESTATED MEMORANDUM  
AND ARTICLES OF ASSOCIATION

OF

**M.J. International Co., Ltd.**

Incorporated on the 8<sup>th</sup> day of October, 2010

(as adopted by a Special Resolution passed on 5<sup>th</sup> June, 2019)

THE CAYMAN ISLANDS  
THE COMPANIES LAW (AS REVISED)  
COMPANY LIMITED BY SHARES

**EIGHTH AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION**

**OF  
M.J. International Co., Ltd.**

(as adopted by a Special Resolution passed on 5th June, 2019)

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1. The name of the Company is M.J. International Co., Ltd.
  2. The Registered Office of the Company shall be situated at the offices of Portcullis(Cayman) Ltd., the Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O Box 32052, Grand Cayman KY1-1208, Cayman Islands or such other place within the Cayman Islands as the Board may from time to time decide, being the registered office of the Company.
  3. Subject to the following provisions of this Memorandum of Association, the objects for which the Company is established are unrestricted, and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Law (As Revised).
  4. Subject to the following provisions of this Memorandum of Association, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of the Companies Law (As Revised).
  5. Nothing in this Memorandum of Association shall permit the Company to carry on a business of a bank or trust company without being licensed in that behalf under the Bank and Trust Companies Law (As Revised) or to carry on insurance business from within the Cayman Islands or the business of an insurance manager, agent, sub-agent or broker without being licensed in that behalf under the Insurance Law (As Revised) or to carry on the business of company management without being licensed in that behalf under the Companies Management Law (As Revised).
  6. The Company shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
  7. When conducting business, the Company shall comply with the laws and regulations as well as business ethics, and may take actions that will promote public interests in order to fulfil its social responsibilities.
  8. The liability of each member is limited to the amount from time to time unpaid on such member's shares.
  9. The share capital of the Company is NT\$ 1,500,000,000 divided into 150,000,000 ordinary shares of a nominal or par value of NT\$ 10 each with power for the Company, subject to the provisions of the Companies Law (As Revised) and the Articles of Association, to redeem or purchase any of its shares and to sub-divide, increase or reduce the said capital and to issue any part of its capital, original, redeemed, increased or reduced, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that, unless the condition of issue shall otherwise expressly declare, every issue of shares, whether declared to be ordinary, preference or otherwise, shall be subject to the power here in before contained.
  10. Capitalised terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company and the interpretations section of the Articles of Association of the Company shall apply to this Memorandum of Association.

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THE CAYMAN ISLANDS THE COMPANIES LAW (AS REVISED) COMPANY LIMITED BY  
SHARES

**EIGHTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF  
M.J. International Co., Ltd.**

(as adopted by a Special Resolution passed on 5 June, 2019)

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**INTERPRETATION**

1. The Regulations contained or incorporated in Table A of the First Schedule of the Companies Law (As Revised) of the Cayman Islands (as amended, supplemented or otherwise modified from time to time) shall not apply to this Company.

2. (1) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires:

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., 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);

Articles these Articles of Association of the Company in their present form, as amended, substituted or supplemented from time to time by a Special Resolution;

Auditors the certified public accountant (if any) retained by the Company to audit the accounts of the Company, to audit and/or certify the financial statements of the Company or to perform other similar duties as assigned or requested by the Company for the time being;

Board the board of Directors of the Company comprising all the Directors;

Capital Reserve means (1) the Share Premium Account, (2) income from endowments received by the Company and (3) other items required to be treated as capital reserve pursuant to the Applicable Listing Rules or generally accepted accounting principles;

Chairman has the meaning given thereto in Article 69;

Class or Classes any class or classes of Shares as may from time to time be issued by the Company in accordance with these Articles;

Commission	the Financial Supervisory Commission of the R.O.C. or any other authority for the time being administering the Securities and Exchange Act of the R.O.C.;
Company Consolidation	M.J. International Co., Ltd.  the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies in the consolidated company within the meaning of the Law and the Applicable Listing Rules;
Director	a director of the Company or an Independent Director(if any) for the time being who collectively form the Board, and “Directors” means 2 or more of them(including any and all Independent Director(s));
Discount Transfer  Electronic	has the meaning set out in Paragraph (4) of Article23;  shall have the meaning given to it in the Electronic Transactions Law (as revised) of the Cayman Island sand any amendment thereto or re-enactments there off or the time being in force including every other law in incorporated therewith or substituted therefore;
Emerging Market  Employees	the emerging market board of the TPEX in Taiwan;  employees of the Company and/or any of the Subordinate Companies of the Company, as determined by the Board from time to time in its sole discretion, and “Employee” shall mean any one of them;
Financial Statements  Independent Directors	has the meaning set out in Article 104;  those Directors designated as "Independent Directors" who are elected by the Members at a general meeting and appointed as "Independent Directors" for the purpose of these Articles and the requirements of the Applicable Listing Rules, and “Independent Director” means any one of them;

Juristic Person

a firm, corporation or other organization which is recognised by the Law and the Applicable Listing Rules as a legal entity;

Law

the Companies Law (As Revised) 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;

Member or Shareholder

a Person who is duly registered as the holder of any Share or Shares in the Register for the time being, including persons who are jointly so registered and “Members” or “Shareholders” means 2 or more of them;

Memorandum

the memorandum of association of the Company, as amended or substituted from time to time;

Merger

the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company within the meaning of the Law and the Applicable Listing Rules;

Month a calendar month;

NTD New Taiwan Dollars;  
Ordinary Resolution

a resolution:-

- (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
- (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); and
- (c) where the Company has only one Member, approved in writing by such Member signed by such Member and the effective date of there solution so adopted shall be the date on which the instrument is executed;

Person

any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;

Preferred Shares has the meaning given thereto in Article 4;  
Private Placement

an offer by the Company of its Shares, bonds and other securities approved by the Commission to specific persons pursuant to the Applicable Listing Rules;

Register

the register of Members of the Company maintained in accordance with the Law at such place within or outside the Cayman Islands;

Registered Office the registered office of the Company for the time

being as required under the Law;

Relevant Period

the period commencing from the date on which any of the securities of the Company first become public offering or registered or listed on the Emerging Market, the TPEX, the TWSE or any Taiwan stock exchange or securities market to and including the date immediately before the day on which none of such securities are so registered or listed (and so that if at any time registration or listing of any such securities is suspended for any reason whatsoever and for any length of time, they shall nevertheless be treated, for the purpose of this definition, as registered or listed);

R.O.C. or Taiwan

the Republic of China, its territories, its possessions and all areas subject to its jurisdiction;

R.O.C. Courts

the Taiwan Taipei District Court or any other competent courts in the R.O.C.;

Seal  
Secretary

the common seal of the Company;

Share

any Person for the time being appointed by the Directors to perform any of the duties of the secretary of the Company and including any assistant, deputy, acting or temporary secretary;

Share Premium Account

any share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;

Shareholder Service  
Agent

the share premium account of the Company established in accordance with these Articles and the Law;

the agent licensed by the R.O.C. authorities and having its offices in the R.O.C. to provide shareholder services, in accordance with the Applicable Listing Rules and the Regulations Governing the Administration of Shareholder Services of Public Companies of the R.O.C., to the Company;

signed	bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a Person with the intent to sign the electronic communication;
Special Reserve	has the meaning set out in Article 95;
Special Resolution	<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 the irrespective 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 a Special Resolution, has been duly given; 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 duly authorized representatives); and</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 Resolution is expressed to be required under any provision of these Articles;</p>
Spin-off	an act wherein a transferor company transfers all of its independently operated business or any part of it to an existing or a newly incorporated company as



consideration for that existing transferee company or newly incorporated transferee company to give shares, cash or other assets to the transferor company or to shareholders of the transferor company;

Statutory Reserve

a reserve set aside in an amount equal to ten percent(10%) of the annual profits of the Company under the Applicable Listing Rules;

Subordinate Company

any company (a) of which a majority of the total outstanding voting shares or the total amount of the capital stock is held by the Company; (b) in which the Company has a direct or indirect control over the management of the personnel, financial or business operation of that company; (c) of which a majority of directors in such company are contemporarily acting as directors in the Company; or (d) of which a majority of the total outstanding voting shares or the total amount of the capital stock of such companies and that of the Company are held by the same Members;

TDCC  
TPEX

the Taiwan Depository & Clearing Corporation;

the Taipei Exchange, originally named as GreTai Securities Market (GTSM), in Taiwan;

Treasury Shares

Shares that have been purchased by the Company and have not been cancelled but have been held continuously by the Company since they were purchased in accordance with the Law; and

TWSE

the Taiwan Stock Exchange Corporation.

- (2) Unless the context otherwise requires, expressions defined in the Law and used herein shall have the meanings so defined.
- (3) In these Articles unless the context otherwise requires:
- (a) words importing the singular number shall include the plural number and vice-versa;
  - (b) words importing the masculine gender shall include the feminine gender and neuter genders;
  - (c) a notice provided for herein shall be in writing unless otherwise specified and all reference herein to "in writing" and "written" shall include printing, lithography, photography and other modes of representing or reproducing words in permanent visible form; and
  - (d) "may" shall be construed as permissive and "shall" shall be construed as

imperative.

- (4) Headings used herein are intended for convenience only and shall not affect the construction of these Articles.

### SHARES

3. Subject to these Articles and any resolution of the Members to the contrary, the Board may, in respect of all Shares for the time being unissued:
- (a) offer, issue and allot of such Shares to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine, but so that no Share shall be issued at a discount, except in accordance with the provisions of the Law and, if during the Relevant Period, the Applicable Listing Rules; and
  - (b) grant options with respect to such Shares and issue warrants or similar instruments with respect thereto, in accordance with the provisions of the Law and, if during the Relevant Period, the Applicable Listing Rules; and, for such purposes, the Board may reserve an appropriate number of Shares for the time being unissued.
4. Subject to Article 5 and the sufficiency of the authorised share capital of the Company, the Company may issue Shares of different Classes with rights which are preferential or inferior to those of ordinary Shares issued by the Company (“**Preferred Shares**”) with the approval of a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors.
5. (1) Where the Company is to issue Preferred Shares, the following shall be expressly set out in these Articles:
- (a) the total number of Preferred Shares that have been authorised to be issued and the numbers of the Preferred Shares already issued;
  - (b) the order, fixed amount or fixed ratio of allocation of dividends, bonuses and other distribution on such Preferred Shares;
  - (c) the order, fixed amount or fixed ratio of allocation of surplus assets of the Company, upon its liquidation, to the holders of the Preferred Shares;
  - (d) the order of or restrictions on the voting right(s) (including, where applicable, a statement that such Preferred Shares have no voting rights whatsoever) of the holders of such Preferred Shares;
  - (e) other matters concerning rights and obligations incidental to the Preferred Shares; and
  - (f) the method by which the Company is authorised or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply.
- (2) Subject to the Law, the Memorandum and these Articles shall be amended with the sanction of a Special Resolution to stipulate the rights, benefits and restrictions of such Preferred Shares and the number of the Preferred Shares the Company is authorized to issue.
6. During the Relevant Period, subject to the sufficiency of the authorised share capital of the Company and these Articles, the issue of new ordinary Shares in the Company shall be approved by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors.
7. (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, 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 such Shares may be delivered, pursuant to the Law. The Company shall make a public announcement in accordance with the Applicable Listing Rules prior to the delivery of such Shares.
- (2) The Company shall not issue bearer Shares.
  - (3) The Company shall not issue any unpaid Shares or partial paid-up Shares to any Person.
  - (4) The Company shall neither issue Shares without par value nor convert its Shares from

Shares with par value to Shares without par value.

8. During the Relevant Period:
  - (a) upon each issuance of new Shares (other than resulting from or in connection with any Merger or Consolidation of the Company, Spin-off of the Company's business, any reorganization of the 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), 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
  - (b) where the Company issues new Shares for cash consideration, after the Board reserving certain percentage of the new Shares for subscription by the Employees pursuant to subsection (a) of this Article, the Company shall allocate ten percent(10%) (or such greater percentage as the Company by an Ordinary Resolution determines) of the total number of the new Shares to be issued for offering in the R.O.C. to the public unless (i) the Commission, the Emerging Market, the TPExand/or the TWSE (where applicable) considers such public offering unnecessary or inappropriate or (ii) the Applicable Listing Rules provide otherwise.
9. During the Relevant Period, subject to an Ordinary Resolution, upon each issuance of new Shares for cash consideration, the Company shall, after reserving the portion of new Shares for subscription by the Employees and public offering in the R.O.C. pursuant to Article 8, first offer such remaining new Shares, by a public announcement and a written notice to each existing Member respectively, stating that in case any such existing Member fails to confirm his/her/its subscription within the prescribed period his/her/its subscription right shall be forfeited, for the subscription of each such existing Member in proportion to the number of Share(s) held by him/her/it, provided that:
  - (a) where any fractional Share held by a Member is insufficient to subscribe for one new Share, the fractional Shares being held by several Members may be combined for joint subscription of one or more integral new Shares or for subscription of new Shares in the name of a single Member;
  - (b) the existing Member(s) may assign and transfer his subscription right to other Persons independently of his original Shares; and
  - (c) new Shares left unsubscribed may be offered to the public or to specific Persons through negotiation.
10. The preceding Article shall not apply whenever the new Shares are issued for the following purpose:
  - (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 reorganization of the Company;
  - (b) in connection with meeting the Company's obligation under Share subscription warrants and/or options granted to the Employees;
  - (c) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to acquire Shares;
  - (d) in connection with meeting the Company's obligation under share subscription warrant or Preferred Shares vested with rights to acquire Shares;
  - (e) in connection with any share swap arrangement entered into by the Company, or
    - (f) in connection with any Private Placement conducted pursuant to Article 13; or
  - (g) 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.
11. During the Relevant Period, subject to the Applicable Listing Rules, the Company may, upon adoption of a resolution passed by a majority of the Directors present at a meeting of the Board attended by two-thirds or more of the total number of Directors, enter into a share subscription

- right agreement with the Employees whereby such Employees may subscribe, within a specific period of time, for a specific number of Shares of the Company at an agreed subscription price. Upon execution of the said agreement, the Company shall issue to each of such Employees a share subscription warrant. Such issued share subscription warrant shall be non-assignable, except for transfer by inheritance or intestacy.
12. During the Relevant Period, the Company may, subject to approval of Shareholders byway of Special Resolution, issue new Shares with restricted rights as approved by such Special Resolution to Employees of the Company and/or its Subordinate Companies, provided that Articles 8 and 9 shall not apply. In respect of the issuance of Shares to Employees in the preceding sentence, the number of Shares to be issued, issue price, issue conditions, restrictions and other matters shall be subject to the Applicable Listing Rules and the Law.
13. (1) During the Relevant Period and subject to the Applicable Listing Rules, the Company may, with the sanction of a Special Resolution, conduct a Private Placement with any of the following Persons in the R.O.C.:
- (a) banks, bills finance enterprises, trust enterprises, insurance enterprises, securities enterprises, or other Juristic Persons or institutions approved by the Commission;
  - (b) natural persons, Juristic Persons, or funds meeting the conditions prescribed by the Commission; or
  - (c) directors, supervisors, officers and managers of the Company or its affiliated enterprises.
- (2) Subject to the preceding paragraph, the Board may resolve by a majority of the Directors presents at a meeting attended by two-thirds or more of the total numbers of the Directors that a Private Placement of ordinary corporate bonds be carried out by installments within one year of the date of such resolution.
14. The Company may by a Special Resolution reduce its share capital in the manner authorised, and subject to any conditions prescribed, by the Law and the Applicable Listing Rules.
15. During the Relevant Period, any issuance, conversion or cancellation of the Shares or any other equity securities (including but not limited to warrants, options or bonds),capitalization and shareholder services, shall comply with the Law, the Applicable Listing Rules and the Regulations Governing the Administration of Shareholder Services of Public Companies of the R.O.C..

#### **MODIFICATION OF RIGHTS**

16. Whenever the share capital of the Company is divided into different Classes of Shares, including where Preferred Shares are issued, subject to Article 46 and in addition to a Special Resolution, the special rights attached to any Class shall be varied or abrogated with the sanction of a Special Resolution passed at a separate general meeting of the holders of the Shares of such Class. To every such separate general meeting and all adjournments thereof, all the provisions of these Articles relating to general meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply.
17. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that Class, be deemed to be materially adversely varied or abrogated by, *interalia*, the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them or the redemption or purchase of Shares of any Class by the Company.

#### **REGISTER**

18. Subject to the Law, the Board shall cause to be kept the Register at such place within or outside the Cayman Islands as it deems fit. During the Relevant Period, the Register shall be entered therein the particulars required under the Law and the Applicable Listing Rules, and shall be made available at its Shareholder Service Agent's office in the R.O.C. The Board or any other authorized conveners of general meetings of the Company may request that the Company or the Company's Shareholder Service Agent provide a copy of the Register for inspection.
19. Notwithstanding anything contained in these Articles and subject to the Law, during the Relevant Period, the relevant information of the Members shall be recorded by TDCC, and the Company shall recognize each person identified in the records provided by TDCC to the Company as a Member and such records shall form part of the Register as at the date of receipt of such records

by the Company.

### REDEMPTION AND REPURCHASE OF SHARES

20. (1) Subject to the Law and these Articles, Shares may be issued on the terms that they are, or at the option of the Company or the holder are, to be redeemed on such terms and in such manner as the Company, before the issue of the shares, may by Special Resolution determine.
- (2) All Preferred Shares may be redeemed in accordance with the provisions of the Law, provided that the privileges accorded to holders of the Preferred Shares by these Articles shall not be impaired under the Law and the Applicable Listing Rules.
21. (1) Subject to the Law, the Applicable Listing Rules and these Articles, upon the approval of a majority of the Directors present at a Board meeting attended by two-thirds or more of Directors, the Company may purchase its own Shares.
- (2) During the Relevant Period:
- (a) The number of Shares to be purchased by the Company from time to time shall not exceed ten percent (10%) of the total number of issued and outstanding Shares and the total amount of the Shares to be purchased by the Company shall not exceed the aggregate amount of retained earnings, premium on capital stock, and realized Capital Reserve.
- (b) Such resolutions of the Board approving purchases of Shares and the implementation thereof (including the failure of any purchase of Shares as approved by such resolutions, if any) shall be reported to the Shareholders at the next general meeting of the Company.
22. (1) Shares repurchased, redeemed or acquired (by way of surrender or otherwise) by the Company shall be cancelled immediately or held as Treasury Shares, up on such terms and manner and subject to such conditions as the Board thinks fit.
- (2) During the Relevant Period, all matters relating to the Company's redemption and repurchase of Shares shall be subject to the Law and the Applicable Listing Rules.
23. (1) Subject to the Law, for so long as the Company holds Treasury Shares, the Company shall be entered in the Register as the holder of the Treasury Shares, provided that:
- (a) the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
- (b) the Treasury Shares shall not be pledged or encumbered in any manner whatsoever;
- (c) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued Shares at any given time, whether for the purposes of these Articles or the Law; and
- (d) no dividend/bonus may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up) may be made to the Company, in respect of a Treasury Share.
- (2) Subject to the Law and these Articles, any or all Treasury Shares may at any time be canceled or transferred to any person (including the Employees; the qualifications of such employees shall be determined by the Board, subject to Paragraph (5) of this Article) upon such terms and manner and subject to such conditions as the Board thinks fit. The Board may determine, at its discretion, the terms and conditions (including a lock-up period restricting the transfer of any Treasury Shares transferred to the Employees pursuant to this Paragraph (2) for a term of up to two (2) years) of such transfer.
- (3) A sum equal to the consideration (if any) received by the Company pursuant to the transfer of Treasury Share(s) shall be credited in accordance with the Law.
- (4) Subject to Paragraph (5) of this Article and the Law, the Company may, by way of a Special Resolution passed at the next general meeting of the Company, transfer the Treasury Shares to the Employees for a price that is below the average price that the Company has paid to purchase such Treasury Shares (the "**Discount Transfer**"),

provided that the following matters shall be specified in the notice of such general meeting with the description of their major contents, and shall not be proposed as ad hoc motions:

- (a) the transfer price of the Treasury Shares as determined by the Board, the discount rate used for the Discount Transfer, and the calculation basis of the Discount Transfer, and the basis of such determination;
  - (b) the amount of the Treasury Shares to be transferred pursuant to, and the purpose of, the Discount Transfer, and the basis of such determination;
  - (c) the qualification and terms of the Employees to whom the Treasury Shares are transferred and the amount of Treasury Shares for which such Employees may subscribe pursuant to the Discount Transfer;
  - (d) matters that the Board is of the opinion that may affect Shareholders' equity, including:
    - (i) any expenses that may be incurred and dilution of per share profit, if any, due to the Discount Transfer in accordance with the Applicable Listing Rules; and
    - (ii) any burden on the Company caused by the Discount Transfer in accordance with the Applicable Listing Rules.
- (5) The total aggregate amount of the Treasury Shares to be transferred to the Employees pursuant to the Discount Transfer in accordance with Paragraph (4) of this Article shall not exceed five percent (5%) of the total number of issued and outstanding Shares of the Company, and each Employee shall not subscribe for more than point five percent (0.5%) of the total issued and outstanding Shares of the Company in aggregate.
24. (1) Notwithstanding anything to the contrary contained in these Articles but subject to the Law, the Company may carry out a compulsory purchase and cancellation of its Shares on a pro rata basis (rounded up or down to the nearest whole number) among the Shareholders in proportion to the number of Shares held by each such Shareholder subject to approval by a Special Resolution. The purchase price payable to the Shareholders in connection with a purchase of Shares described in the preceding sentence may be paid in cash or in kind. Where any purchase price is paid in kind, the type of such payment in kind and the corresponding amount of such substitutive distribution shall be subject to approval by a Special Resolution as well as individual consent by the Shareholder(s) receiving such payment in kind. Prior to convening the general meeting for approving such purchase of Shares, the Board shall determine the monetary equivalent value of any purchase price to be paid in kind and have such value audited and certified by a certified public accountant in the R.O.C.
- (2) For the avoidance of doubt, where the proposed purchase and cancellation of Shares is not on a pro rata basis, subject to the Law and the Applicable Listing Rules, the Board is empowered to authorize and carry out such repurchase without approval by Special Resolution in accordance with the preceding paragraph.

#### **TRANSFER AND TRANSMISSION OF SHARES**

25. Subject to the Law and Applicable Listing Rules and unless otherwise provided by these Articles, the Shares shall be freely transferable.
26. The Company shall not be obligated to recognize any transfer or assignment of Share unless the name/title and residence/domicile of the transferor and transferee have been recorded in the Register. The registration of transfers may be suspended when the Register is closed in accordance with Article 28.

#### **NON-RECOGNITION OF TRUSTS**

27. Except as required by Law or the Applicable Listing Rules, no person shall be recognized the Company as holding any Share upon any trust, and the Company shall not, unless required by Law or the Applicable Listing Rules, be bound by or be compelled in anyway to recognize (even when having notice thereof) any equitable, contingent, future or actual interest in any Share (except only as otherwise provided by these Articles, the Law or the Applicable Listing Rules otherwise requires or under an order of a court of competent jurisdiction) or any other rights in respect of any

Share except an absolute right to the entirety thereof in the registered holder.

#### **CLOSING REGISTER OR FIXING RECORD DATE**

28. (1) The Board may fix in advance the record date(s) for (a) determining the Members entitled to receive any dividend/bonus, distribution or issue; (b) determining the Members entitled to receive notices of, attend or vote at any general meeting or any adjournment thereof in person, by proxy, way of a written ballot or by way of electronic transmission; and (c) any other purposes as determined by the Board. In the event the Board designates the record date(s) for (b) in accordance with this Article, such record date(s) shall be date(s) prior to the general meeting.
- (2) During the Relevant Period, subject to the Law, for the purposes of (a) determining the Members entitled to receive any dividend/bonus, distribution or issue; and (b) determining the Members entitled to receive notices of, attend or vote at any general meeting or any adjournment thereof, the Board shall fix the period that the Register shall be closed for transfers (the “**Book Closure Period**”) at least for a period of sixty (60) days before the date of each annual general meeting, thirty (30) days before the date of each extraordinary general meeting and five (5) days before the target date for a dividend, bonus or other distribution. For the purpose of calculating the Book Closure Period, the respective convening date of the general meeting or the relevant target date shall be included.

#### **GENERAL MEETINGS**

29. The Company shall in each year hold a general meeting as its annual general meeting within six months after close of each financial year or such other period as may be permitted by the Emerging Market, the TPEX or the TWSE (where applicable). The annual general meeting shall be convened by the Board.
30. All general meetings other than annual general meetings shall be called extraordinary general meetings. The Board may, whenever they think fit, convene an extraordinary general meeting of the Company.
31. During the Relevant Period, all general meetings shall be held in the R.O.C. At any time other than during the Relevant Period, the Board may convene any general meeting at such place as it deems fit.
32. (1) Any one or more Member(s) may, by depositing the requisition notice specifying the proposals to be resolved and the reasons thereof, request the Board to convene an extraordinary general meeting, provided that such Member or Members continuously holds at least three percent (3%) of the total issued Shares of the Company as at the date of deposit of the requisition notice for a period of at least one (1) year immediately prior to that date. If the Board does not give notice to Members to convene such meeting within fifteen (15) days after the date of the requisition notice, the proposing Member(s) may convene a general meeting.
- (2) Any one or more Member(s) continuously holding more than half of the total issued Shares of the Company for a period of no less than three (3) months may convene an extraordinary general meeting. The number of Shares held by such Member or Members and the holding period of which such Member or Members hold such Shares shall be calculated and determined based on the Register as of the first day of the Book Closure Period.
- (3) In addition to the circumstance where the Board should have convened a general meeting but does not or is unable to convene a general meeting pursuant to the Law, the Applicable Listing Rules or these Articles, an Independent Director from the audit committee of the Company may also, for the benefit of the Company, call general meeting when it is deemed necessary.
33. During the Relevant Period, the Company shall engage a Shareholder Service Agent within the R.O.C. to handle the administration of general meetings, including but not limited to, the voting matters.

#### **NOTICE OF GENERAL MEETING**

34. (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 subject to the Law and the Applicable Listing Rules, the Company may make a public announcement of a notice of general meeting to 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.
- (2) At any time other than the Relevant Period, at least five (5) days' notice in writing shall be given of an annual general meeting or any other general meeting PROVIDED HOWEVER that notice may be waived by all the Member either at or before the meeting is held PROVIDED FURTHER that notice or waiver thereof may be given by email, telex or telefax. At any time other than the Relevant Period, a general meeting may be convened by such shorter notice with the consent of a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five percent (95%) in nominal value of the Shares giving that right.
35. (1) During the Relevant Period, the Company shall make public announcements with regard to notice of general meeting, proxy form, summary information and details about items to be proposed at the meeting for approval, discussion, election or dismissal of Directors at least thirty (30) days prior to any annual general meeting or at least fifteen (15) days prior to any extraordinary general meeting.
- (2) During the Relevant Period, if the Company allows the Shareholders to exercise the votes and cast the votes in writing or by way of electronic transmission in accordance with Article 57, the Company shall also send to the Shareholders the information and documents as described in the preceding paragraph, together with the voting right exercise forms.
36. The following matters shall not be considered, discussed or proposed for approval at 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:
- (a) any election or removal of Director(s);
  - (b) any alteration of the Memorandum and/or these Articles;
  - (c) any capital reduction or compulsory purchase and cancellation of Shares pursuant to Paragraph (1) of Article 24;
  - (d) applying for the approval of ceasing the status as a public company;
  - (e) any dissolution, voluntary winding-up, Merger, share swap, Consolidation or Spin-off of the Company;
  - (f) entering into, amending, or terminating any contract for lease, management or regular joint operation of the Company's whole business;
  - (g) the transfer of the whole or any material part of the Company's business or assets;
  - (h) the acquisition of the whole business or assets of a Person, which has a material effect on the operation of the Company;
  - (i) carrying out a Private Placement of any equity-type securities issued by the Company;
  - (j) granting a waiver to a Director's non-competition obligation or approving a Director to engage in activities in competition with the Company;
  - (k) distributing dividends, bonuses or other distributions payable on or in respect of the Share in whole or in part by way of issuance of new Shares; and
  - (l) capitalization of the Company's Statutory Reserve, the Share Premium Account and/or the income from endowments received by the Company in the Capital Reserve, by issuing new Shares and/or cash to its existing Members.
37. During the Relevant Period, the Company shall prepare a manual for each general meeting, and such manual and relevant materials shall be published on the website designated by the Commission and the Emerging Market, the TPEX or the TWSE (where applicable) twenty-one (21) days prior to the scheduled date of the relevant annual general meeting and fifteen (15) days prior to the scheduled date of the relevant extraordinary general meeting pursuant to the Applicable Listing Rules.



38. The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any Member entitled to receive notice shall not invalidate the proceedings of that general meeting.

#### **PROCEEDINGS AT GENERAL MEETINGS**

39. No business, other than the appointment of a chairman of the meeting, shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as otherwise provided by these Articles, at least two Members present in person or by proxy or (in the case of a Member being a corporation) by its duly authorised representative representing more than one-half of the total issued and outstanding Shares with voting rights shall be a quorum of Members for all purposes.
40. (1) During the Relevant Period, one or more Member(s) holding one percent (1%) or more of the total issued Shares of the Company may submit to the Company not more than one proposal in writing or by way of electronic transmission for resolution at an annual general meeting.
- (2) During the Relevant Period, prior to the commencement of the period in which the Register is closed for transfers before an annual general meeting, the Company shall make a public announcement of the place and the period for Members to submit proposals; provided that the period for submitting such proposals shall not be less than ten (10) days.
- (3) The Member who has submitted a proposal shall attend, in person or by a proxy, such general meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.
- (4) The Board shall include a proposal submitted by Member(s) unless:
- (a) the proposal involves matters which cannot be settled or resolved at a general meeting under the Law, the Applicable Listing Rules and these Articles;
  - (b) the number of Shares held by the proposing Member(s) is less than one percent (1%) of the total issued Shares in the Register upon commencement of the period in which the Register is closed for transfers before the relevant annual general meeting of the Company;
  - (c) the proposal contains more than one matter;
  - (d) the proposal contains more than three hundred (300) words; or
  - (e) the proposal is submitted after the expiration of the specified period announced by the Company for submitting proposals.
- (5) If a proposal submitted by Member(s) is intended to urge the Company to promote public interests or fulfil its social responsibilities, the Board may include the proposal notwithstanding that one of the circumstances set forth in the preceding Paragraph (4) of this Article applies.
- (6) The Company shall, prior to the dispatch of a notice of the relevant annual general meeting, inform all the proposing Members of whether their proposals are accepted or not, and shall list in the notice of the relevant annual general meeting all the accepted proposals. The Board shall explain at the relevant annual general meeting the reasons for excluding any proposal submitted by Members.
41. The Chairman shall preside as chairman at every general meeting of the Company convened by the Board. For a general meeting convened by any Person other than the Board, such Person shall act as the chairman of that meeting; provided that if there are two or more Persons jointly convening such meeting, the chairman of the meeting shall be elected from those Persons.
42. If at any general meeting the Chairman is not present or is unwilling to act as chairman, he shall appoint one of the Directors to act on his behalf. In the absence of such appointment, the Directors present may choose one of them to be the chairman of that general meeting.
43. A general meeting may be adjourned by the Company by an Ordinary Resolution from place to place within five (5) days, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for more than five (5) days, notice of the time and location of the adjourned meeting shall be given as in the case of an original meeting.
44. At any general meeting, a resolution put to the vote of the meeting shall be decided on a poll.

45. Unless otherwise expressly required by the Law, the Applicable Listing Rules or these Articles, any matter proposed for approval by the Members at a general meeting shall be passed by an Ordinary Resolution.
46. (1) Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution:
- (a) enter into, amend, or terminate any contract for lease, management or regular joint operation of its whole business;
  - (b) transfer the whole or any material part of its business or assets;
  - (c) acquire the whole business or assets of a Person, which has a material effect on the operation of the Company;
  - (d) distribute dividends, bonuses or other distributions in whole or in part by way of issuance of new Shares;
  - (e) effect any Spin-off of the Company;
  - (f) authorize a plan of Merger or Consolidation involving the Company;
  - (g) resolve that the Company be wound up voluntarily;
  - (h) carry out a Private Placement;
  - (i) grant a waiver to a Director's non-competition obligation, or approve a Director to engage in activities in competition with the Company;
  - (j) change its name;
  - (k) change the currency denomination of its share capital;
  - (l) increase the share capital by such sum, to be divided into new Shares of such Classes of such par value, as the resolution shall prescribe;
  - (m) consolidate and divide all or any of its share capital into Shares of a larger par value than its existing Shares;
  - (n) subdivide its existing Shares, or any of them, into Shares of a smaller par value than is fixed by the Memorandum;
  - (o) cancel any Shares that, at the date of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled;
  - (p) subject to these Articles (including without limitation Articles 16 and 17), alter or amend the Memorandum or these Articles, in whole or in part;
  - (q) reduce its share capital and any fund of the capital redemption reserve in any manner authorised by the Law and the Applicable Listing Rules; and
  - (r) appoint an inspector to examine the affairs of the Company under the Law;
  - (s) issue new Shares to Employees of the Company and/or its Subordinate Companies subject to any restrictions and conditions in accordance with Article 12; and
  - (t) apply for the approval of ceasing the status as a public company.
- (2) Notwithstanding anything contained in these Articles, unless otherwise provided by the Law and the 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 swap arrangement 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.
47. Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution resolve that the Company be wound up voluntarily if the Company is unable to pay its debts as they fall due.
48. (1) Subject to the compliance with the Law, in the event any of the resolutions with respect to the matter(s) as set out in Subparagraph (a), (b) or (c) of Paragraph (1) of Article 46 is adopted at a general meeting, a Member who has notified the Company in writing of his

objection to such proposal prior to that meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair price; provided, however, that no Member shall have the abovementioned appraisal right if the resolution to be adopted is in relation to the matter(s) set out in Subparagraph (b) of Paragraph (1) Article 46 and at the same meeting the resolution for the winding up of the Company is also adopted.

- (2) Subject to the compliance with the Law, in the event any part of the Company's business is involved in any Spin-Off, Merger or Consolidation, a Member, who has forfeited his right to vote on such matter and expressed his dissent therefore, in writing or orally with an entry to that effect in the minutes of the meeting before the relevant vote, may request the Company to purchase all of his Shares at the then prevailing fair price.
  - (3) Without prejudice to the Law, in the event the Company and a Member making are quest pursuant to Paragraphs (1) or (2) of this Article fail to reach an agreement on the purchase price within sixty (60) days following the date of the resolution, the Member may, within thirty (30) days after such sixty (60) days period, file a petition to the Taiwan Taipei District Court of the R.O.C. for a ruling on the appraisal price. 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.
49. In case the procedure for convening a general meeting in which a resolution is adopted or the method of adopting a resolution is in violation of the Law, the Applicable Listing Rules or these Articles, a Member may, if and to the extent permitted under the Law, within thirty (30) days from the date of the resolution, submit a petition to the Taiwan Taipei District Court, as applicable, for an appropriate remedy, including but not limited to, requesting the court to invalidate and cancel the resolution adopted therein.
50. Notwithstanding anything to the contrary provided for in these Articles, at any time other than during the Relevant Period, a resolution (including a Special Resolution) 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) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.
51. The proceedings regarding general meetings and the voting in general meetings not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by the Company by an Ordinary Resolution from time to time, which shall be in compliance with the Law and the Applicable Listing Rules (in particular the Rules Governing the Conduct of Shareholders Meetings of R.O.C. Public Companies).

#### **VOTES OF MEMBERS**

52. Subject to any rights and restrictions as to voting for the time being attached to any Share by or in accordance with these Articles, at any general meeting, every Member present in person (or in the case of a Member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each Share registered in his/her/its name in the Register.
53. In the case of joint Members, the joint Members shall select a representative among the mto exercise their voting powers and the vote cast by such representative, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Members.
54. A Shareholder who holds Shares for the benefit of others need not use all his votes or cast all the votes he holds in the same way as he uses his votes in respect of Share he holds for himself. The qualifications, scope, methods of exercise, operating procedures and other requirements for separate votes shall be in compliance with the Applicable Listing Rules.
55. Any corporation which is a Member of the Company may, by resolution of its board or other governing body, authorise such natural person as it thinks fit to act as its representative at any general meeting or at any meeting of a Class of Members of the Company.
56. (1) Subject to the Law and the Applicable Listing Rules, Shares held by the following persons shall not be counted in the total number of issued Shares of the Company which are entitled to vote for when calculating the quorum at a general meeting and Members

belonging to the following persons shall abstain from voting in respect of all Shares held by them:

- (a) the Company itself (if such holding is permitted by the Law);
- (b) any entity in which the Company is legally or beneficially interested in more than fifty percent (50%) of its issued and voting share capital or equity capital ;or
- (c) any entity in which the Company and (i) its holding company, and (ii) its Subordinate Company are legally or beneficially, directly or indirectly, interested in more than fifty percent (50%) of its issued and voting share capital or equity capital.

(2) Any Member 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 general meeting shall abstain from voting in respect of all the Shares that such Member should otherwise be entitled to vote, on his behalf or as a proxy or corporate representative, with respect to the said matter. Any and all votes cast by such Member(s) shall not be counted in determining the number of votes for or against such matter.

(3) Where any Director, who is also a Shareholder of the Company, creates or has created any charge, mortgage, encumbrance or lien in respect of Shares held by such Director (the "**Charged Shares**") exceeding fifty percent (50%) of total Shares held by such Director at the time of his/her latest appointment as Director, such Director shall refrain from exercising its voting rights on the Shares representing the difference between the Charged Shares and fifty percent (50%) of total Shares held by such Director at the time of his/her latest appointment as Director, and such Shares shall not carry the voting rights and shall not be counted toward the number of votes represented by the Shareholders present at a general meeting but shall be included in the quorum.

57. To the extent permitted by the Law, the Board may resolve that the voting power of a Member at a general meeting may be exercised by way of a written ballot or by way of electronic transmission. The method for exercising such voting power shall be described in the general meeting notice to be given to the Members if the voting power may be exercised by way of a written ballot or electronic transmission. Notwithstanding the foregoing, during the Relevant Period, subject to the Applicable Listing Rules, the Company shall adopt the electronic transmission as one of the methods for exercising the voting power of a Member. Any Member who intends to exercise his voting power by way of a written ballot or by way of electronic transmission shall serve the Company with his voting decision at least two (2) days prior to the date of such general meeting. Where more than one voting decision are received from the same Member by the Company, the first voting decision shall prevail, unless an explicit written statement is made by there levant Member to revoke the previous voting decision in the later-received voting decision. A Member who exercises his voting power at a general meeting by way of a written ballot or by electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to vote his Shares at the general meeting only in the manner directed by his written instrument or electronic document. The chairman of the general meeting as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electronic document, impromptu proposal and/or any amendment to resolution(s) proposed at the said general meeting. For the purpose of clarification, such Members voting in such manner shall be deemed to have waived their voting rights with respect to any extemporary matters or amendment to resolution(s) proposed at the general meeting.

58. In case a Member who has cast his votes by a written instrument or by way of electronic transmission intends to attend the relevant general meeting in person, he shall, at least two(2) day prior to the date of the general meeting, revoke such votes by serving a notice in the same manner as he cast such votes. In the absence of a timely revocation of such votes, such votes shall remain valid. Nonetheless, such Member who attends and votes at a general meeting in person would be deemed to have revoked his prior voting instructions by a written instrument or by way of electronic transmission, notwithstanding that such Member has not submitted a revocation notice in accordance with this Article 58.

#### **PROXY**

59. (1) A Member may appoint a proxy to attend a general meeting on his behalf by executing a proxy form produced by the Company stating therein the scope of power authorized to

- the proxy. A proxy need not be a Member.
- (2) Subject to the Law and unless otherwise provided in these Articles, forms of instrument of proxy for use at a general meeting shall be produced by the Company specifying therein (a) the instructions for filling out the form, (b) the signature requirements, (c) the matters to be voted upon pursuant to such proxy and basic identification information of the Member as appointor, the proxy solicitor (if any) and the proxy, and shall be sent out together with the notice of general meeting to all Members on the same day.
60. A Member may only appoint one proxy for each general meeting irrespective of how many Shares he holds and shall serve an executed proxy in compliance with the preceding Article to the Company or its Shareholder Service Agent as the case may be no later than five (5) days prior to the date of the general meeting. In case the Company receives two or more proxies from one Member, the one received first by the Company shall prevail unless an explicit statement by the Member to revoke such proxy is made in the subsequent proxy, provided this subsequent proxy is received no later than five (5) days prior to the date of the general meeting.
61. In case a Member who has served a proxy intends to attend the relevant general meeting in person or to exercise his voting power by way of a written ballot or electronic transmission, he shall, at least two (2) days prior to the date of the general meeting, revoke such proxy by serving a separate written notice to the Company or Shareholder Service Agent. Otherwise, the votes cast by the proxy at the general meeting shall prevail. Nonetheless, such Member who attends and votes at a general meeting in person would be deemed to have revoked his proxy appointment, notwithstanding that such Member has not submitted a revocation notice in accordance with this Article 61.
62. A Member who has served the Company with his voting decision in accordance with Article 57 for the purpose of exercising his voting power by way of a written ballot or byway of electronic transmission may appoint a person as his proxy to attend the meeting in accordance with these Articles, in which case the vote cast by such proxy shall be deemed to have revoked his previous voting decision served on the Company and the Company shall only count the vote(s) cast by such expressly appointed proxy at the meeting.
63. During the Relevant Period, except for trust enterprises or shareholder service agencies duly licensed under the R.O.C. competent authorities or the chairman of a general meeting who is deemed appointed as proxy pursuant to Article 57, where a Person acts as a proxy for two or more Members, the number of voting Shares that the proxy may vote in respect thereof shall not exceed three percent (3%) of the total number of issued and outstanding voting Shares; otherwise, such number of voting Shares in excess of the aforesaid threshold shall not be counted towards the number of votes cast for or against the relevant resolution or the number of voting Shares present at the relevant general meeting but shall be included in the quorum. Upon such exclusion, the number of voting Shares being excluded and attributed to each Member represented by the same proxy shall be determined on a pro-rata basis based on the total number of voting Shares being excluded and the number of voting Shares that such Members have appointed the proxy to vote for.
64. The use and solicitation of proxies not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by the Board from time to time, which shall be in compliance with the Law and the Applicable Listing Rules (in particular, the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of R.O.C. Public Companies (as amended, supplemented or otherwise modified from time to time)).

#### **DIRECTORS AND THE BOARD**

65. (1) The Board shall consist of not less than five (5) Directors (including Independent Directors). Subject to the foregoing, the number of Directors to be elected and hold the office shall be stated in the notice of the general meeting in which an election of Directors will be held.
- (2) A Director can be a natural person or a Juristic Person. Where a Director is a Juristic Person, it shall designate a natural person as its authorized representative to exercise, on its behalf, the powers of a Director and may replace such representative from time to time so as to fulfil its remaining term of the office. A Director shall not be required to hold any Shares in the Company.

- (3) Directors shall be elected by Members at general meetings. Any Juristic Person which is a Member shall be entitled to appoint a natural person or natural persons as its representative(s) to be nominated for election as Director in accordance with these Articles.
- (4) The principle of cumulative voting shall apply in any election of Directors pursuant to this Article. Each Member entitled to vote in such election shall have a number of votes equal to the product of (a) the number of votes conferred by such Member's Shares and (b) the number of Directors to be elected at the general meeting. Each Member may divide and distribute such Member's votes, as so calculated, among any one or more candidates for the directorships to be filled, or such Member may cast such Member's votes for a single candidate. At such election, the candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be elected. Notwithstanding anything to the contrary in this Paragraph (4) of this Article, at any time other than the Relevant Period, the Company may by Ordinary Resolution appoint any Person to be a Director or remove any Director from office.
- (5) The proceedings and the voting regarding the election of Directors not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by an Ordinary Resolution from time to time, which shall be in compliance with the Law and the Applicable Listing Rules (in particular, the Methods of Election of Directors and Supervisors of R.O.C. Public Companies).
66. The Company may, whenever it thinks fit, adopt and apply a candidate nomination mechanism for election of any of the Directors in accordance with the Applicable Listing Rules. Notwithstanding the foregoing, during the Relevant Period, a candidate nomination mechanism shall be adopted for election of all Directors. Upon adoption of candidate nomination mechanism, the Directors and Independent Directors shall be elected by the Members at a general meeting from among the nominees listed in the respective rosters of director candidates and independent director candidates. Subject to the Law and the Applicable Listing Rules, the Board may establish detailed rules and procedures for such candidate nomination.
67. Subject to these Articles, each Director shall be appointed to a term of office not exceeding three (3) years and is eligible for re-election. In case no election of new Directors is effected prior to the expiration of the term of office of existing Directors, the term of office of such existing Directors shall be extended until the time such Directors are re-elected or new Directors are duly elected and assume their office subject to these Articles. In the event of any vacancy in the Board, the new Director elected in the general meeting shall fill the vacancy for the residual term of office.
68. (1) Unless otherwise provided by these Articles, a Director may be removed from office at any time by a Special Resolution adopted at a general meeting.
- (2) Without prejudice to other provisions of these Articles, the Directors may be put up for re-election at any time before the expiration of the term of office of such Directors. In the event where all Directors are subject for re-election at a general meeting before the expiration of the term of office of such Directors, subject to the successful election of the new Directors at the same meeting, the term of office of all current Directors is deemed to have expired on the date of the re-election if the Members do not resolve that all current Directors will only retire at the expiration of their present term of office or any other date as otherwise resolved by the Members at the general meeting.
69. A chairman of the Board (the “**Chairman**”) shall be elected from among the Directors and appointed in term by a majority of the Directors present at a Board meeting attended by at least two-thirds of all of the Directors then in office. The Chairman shall externally represent the Company and internally preside as the chairman at every Board meeting and at every general meeting convened by the Board. In the event the Chairman is not present at a meeting or cannot or will not exercise his power and authority for any cause, he shall designate one of the Directors to act on his behalf. In the absence of such designation, the Directors present at the meeting shall elect from among themselves an acting chairman.
70. The remuneration of a Director may differ from other Directors, and shall be determined by the Board, regardless of the Company profits or losses of respective years, based on (i) the extent of a

- Director's involvement with the operations of the Company, (ii) the contribution of a Director to the Company, (iii) the prevailing industry standard and (iv) such other relevant factors.
71. When the number of Directors then in office falls below five (5) due to any Director(s) vacating his office for any reason, the Company shall hold an election for such number of Directors at the next general meeting to fill the vacancy for the remainder of the term of such outgoing Director(s). When the number of Directors then in office falls short by one-third of the total number of Directors initially constituting the existing Board, the Company shall convene an extraordinary general meeting within sixty (60) days of the occurrence of that fact for the purposes of electing such number of Directors to fill the casual vacancy.
72. Subject to these Articles, a Director other than an Independent Director may hold any other office (except that of Auditor) or place of profit under the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine, and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.
73. (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 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.
- (2) If a Director violates any law in the course of conducting the business of the Company, he shall be jointly and severally liable with the Company for the damages resulting from such violation.
- (3) The preceding two paragraphs of this Article shall apply, mutatis mutandis, to the officers of the Company who are authorised to act on its behalf in a senior management capacity.
74. Subject to these Articles, a Director other than an Independent Director may act by himself or his firm in a professional capacity for the Company (except that of Auditor), and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
75. To the extent permitted by the Law, the Company may pay, or agree to pay, a premium in respect of a contract insuring each of the following persons against risks determined by the directors, other than liability arising out of that person's negligence and/or dishonestly: an existing or former director (including alternate director), secretary or officer or Auditor of the Company; a company which is a subsidiary of the Company; and a company in which the Company has or had an interest (whether direct or indirect).
76. During the Relevant Period, the qualifications, election, removal, power, authority and other requirements for Directors (including Independent Directors), which are not covered by these Articles, shall be in compliance with the Applicable Listing Rules.

#### **INDEPENDENT DIRECTORS**

77. During the Relevant Period, the number of Independent Directors of the Company shall not be less than three (3) or one-fifth of the total number of Directors at any time, whichever is greater. One (1) of the Independent Directors shall have resident status of the R.O.C. (such resident status being registered with local government authorities). Subject to the foregoing, the number of Independent Directors to be elected and hold the office shall be stated in the notice of the general meeting in which an election of Independent Directors will be held. When an Independent Director ceases to act, resulting in a number of Independent Directors then in office lower than the prescribed minimum number, an election for an Independent Director shall be held at the next general meeting. When all Independent Directors cease to act, the Company shall convene an extraordinary general meeting to hold an election of Independent Directors within sixty (60) days from the date on which the situation arose.

78. Independent Directors shall possess professional knowledge and shall maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions held by the Independent Directors shall be as prescribed by the Applicable Listing Rules, and the assessment of independence of such Independent Directors shall be in compliance with the Applicable Listing Rules. The Board or other Persons calling a general meeting at which an election for Independent Directors is proposed shall ensure that the requirements of this Article have been satisfied and complied with in relation to any candidate for Independent Director.

#### **POWERS AND DUTIES OF THE BOARD**

79. Subject to the Law, these Articles, the Applicable Listing Rules and any resolutions passed in a general meeting, the business of the Company shall be managed by the Board in such manner as it shall think fit, which may pay all reasonable expenses in connection with business management, including but not limited to expenses incurred in forming and registering the Company and may exercise all powers of the Company. Except as otherwise provided by these Articles, the compensation to be paid to the Directors shall be determined by the Board in accordance with the standard prevalent in the industry by reference to recommendation made by the remuneration committee (if established). Such compensation shall be deemed to accrue from day to day, and the Directors may also be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from Board meetings of the Directors, or any committee established under Article 82, or general meetings of the Company, or otherwise in connection with the business of the Company, or may receive a fixed allowance in respect thereof as may be determined by the Board from time to time, or a combination partly of one such method and partly the other.
80. The Board may from time to time appoint any Person to hold such office in the Company as the Board may think necessary for the management of the Company, including but not limited to officers and managers, and for such term and at such remuneration as the Board may think fit. Any Person so appointed by the Board may be removed by the Board.
81. The Board may appoint a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as the Board thinks fit. Any Secretary or assistant Secretary so appointed by the Board may be removed by the Board. The Secretary shall attend all general meetings and shall keep correct minutes of such meetings. Subject to the Applicable Listing Rules, the Secretary shall also perform such other duties as are prescribed by the Law or as may be prescribed by the Board.

#### **COMMITTEES**

82. Subject to the Law and the Applicable Listing Rules, the Board may, or the Company may by an Ordinary Resolution, establish any committee(s) and delegate any of their powers, authorities and discretions to such committee(s) (including but not limited to an audit committee and a remuneration committee) consisting of such member or members of their body or any other Persons as the Board thinks fit. Any committee(s) so formed shall, in the exercise of the powers, authorities and discretions so delegated, and in conducting its proceedings, conform to any regulations that may be imposed on it by the Board pursuant to the Applicable Listing Rules. If no regulations are imposed by the Board, the proceedings of a committee with two (2) or more members shall be, as far as is practicable, governed by these Articles regulating the proceedings of the Board.
- 82-1. (1) During the Relevant Period, unless otherwise provided by the Law and the Applicable Listing Rules, the Company shall establish an audit committee; regulations governing the professional qualifications for its members, the exercise of their powers of office, and related matters shall be prescribed and amended from time to time by the Board in accordance with the Applicable Listing Rules.
- (2) The audit committee of the Company shall be composed of all the Independent Directors. The audit committee shall not be fewer than three Persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise. A resolution of the audit committee shall have the concurrence of one-half or more of the members of the audit committee.
- (3) The following matters shall be subject to the consent of one-half or more of all members



of the audit committee of the Company and shall be thereafter submitted to the Board for a resolution:

- (a) Adoption or amendment of an internal control system.
  - (b) Assessment of the effectiveness of the internal control system.
  - (c) Adoption or amendment of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
  - (d) A matter bearing on the personal interest of a Director.
  - (e) A material asset or derivatives transaction.
  - (f) A material monetary loan, endorsement, or provision of guarantee.
  - (g) The offering, issuance, or Private Placement of any equity-type securities.
  - (h) The hiring or dismissal of an Auditor, or the compensation given thereto.
  - (i) The appointment or discharge of a financial, accounting, or internal auditing officer.
  - (j) Annual and semi-annual financial reports.
  - (k) Any other material matter so required by the Company or the competent authority.
- (4) With the exception of subparagraph (j) above, any matter under a subparagraph of the preceding paragraph that has not been approved with the consent of one-half or more of all members of the audit committee of the Company may be undertaken upon the approval of two-thirds or more of the Directors, without regard to the restrictions of the preceding paragraph, and such resolution of the audit committee of the Company shall be recorded in the minutes of the Board meeting.
- 82-2. (1) During the Relevant Period, unless otherwise provided by the Law and the Applicable Listing Rules, the Company shall establish a remuneration committee; regulations governing the professional qualifications for its members, the exercise of their powers of office, and related matters shall be prescribed and amended from time to time by the Board in accordance with the Applicable Listing Rules. Remuneration referred to in this paragraph shall include salary, stock options, and any other substantive incentive measures for Directors and managerial officers under the Law or the Applicable Listing Rules.
- (2) The members of the remuneration committee of the Company shall be appointed by the Board and shall not be fewer than three members, one of whom shall be the convener.
  - (3) The remuneration committee of the Company shall exercise the care of a good administrator and in good faith when performing the official powers listed below, and shall submit its recommendations for deliberation by the Board:
    - (a) Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for Directors and officers.
    - (b) Periodically evaluate and prescribe the remuneration of Directors and officers.
    - (c) Any other material matter so required by the Company or the competent authority.
- DISQUALIFICATION AND VACATION OF OFFICE OF DIRECTORS**
83. (1) During the Relevant Period, a person who is under any of the following circumstances shall not act as a Director of the Company; if he has already held office of a Director, he shall cease to act as a Director and be removed from the position of Director automatically:
- (a) commits a felony (including but not limiting to an offence under Statute for Prevention of Organizational Crimes of the R.O.C.) and has been convicted thereof, 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 five (5) years;
  - (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;
  - (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;
- (d) becomes bankrupt or is adjudicated of commencement of liquidation proceeding by a court under the laws of any jurisdiction, and has not been reinstated to his rights and privileges;
  - (e) has allowed checks and other negotiable instruments to be dishonored and the records thereof have not been cancelled or expunged by the relevant regulatory authorities;
  - (f) dies or an order has been made by any competent court or authority on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and such order has not been revoked, or his legal capacity is restricted according to the applicable laws;
  - (g) ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under any provisions of the Law and/or Applicable Listing Rules;
  - (h) ceases to be a Director by virtue of Article 84;
  - (i) resigns his office by notice in writing to the Company;
  - (j) is removed from office pursuant to these Articles; or
  - (k) has been ordered to be removed from office by the R.O.C. Courts on the grounds that such Director, in the course of performing his duties, committed serious violations of the Law, Applicable Listing Rules or these Articles, or acts resulting in material damage to the Company, upon a petition by the Company or Member(s) to the R.O.C. Courts.
- (2) During the Relevant Period, in case a Director (other than Independent Director) has transferred some or all his Shares during the term of his office as a Director, such that the remaining Shares held by him are less than one half of the Shares being held by him at the time he was elected, he shall, ipso facto, cease to act as a Director and be removed from the position of Director automatically.
- (3) During the Relevant Period, if a Director (other than Independent Director), (a) after having been elected and before his inauguration of the office of a Director, has transferred some or all his Shares held by him such that the remaining Shares are less than one half of the Shares held by such Director at the time of his election or, (b) within the Book Closure Period fixed by the Board in accordance with Article 28(2) prior to the general meeting for the election of such Director, has transferred some or all his Shares held by him such that the remaining Shares are less than one half of the Shares held at the commencement of the Book Closure Period, his election as a Director shall be deemed invalid and void.
84. Except as approved by the Emerging Market, the TPEX, the TWSE or the Commission (where applicable), the following relationships shall not exist among half or the majority of the Directors: (a) a spousal relationship; or (b) a familial relationship within the second degree of kinship as defined under the Civil Code of Taiwan. If any of the foregoing relationships exists among half or the majority of the elected Directors, the election with respect to the one who received the lowest number of votes among those related Directors shall be deemed invalid and void; and 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. For the remaining Directors, if the foregoing requirements are still not satisfied, the same procedure set out above shall be applied again to the remaining related Directors, until such time as the foregoing requirements can be complied with.
85. In case a Director has, in the course of performing his/her/its duties, committed any act resulting in material damage to the Company or in serious violation of the Law, the Applicable Listing Rules or these Articles, but has not been removed from office by a resolution in a general meeting, one or more Members holding three percent (3%) or more of the total number of issued and outstanding Shares of the Company may, within thirty(30) days after that general meeting, submit a petition to a competent court, including the Taiwan Taipei District Court of the R.O.C., but only

- if and to the extent permitted under the Law and the Applicable Listing Rules, for removing such Director from office.
86. Subject to the Law, one or more Members holding one percent (1%) or more of the total number of the issued Shares continuously for a period of six (6) months or a longer time may request in writing any Independent Director of the Audit Committee to file, on behalf of the Company, an action against a Director who has, in the course of performing his/her duties, committed any act resulting in damage to the Company or in violation of the Law, the Applicable Listing Rules or these Articles, with a competent court, including the Taiwan Taipei District Court of the R.O.C. In case the Independent Director fails to file such action within thirty (30) days after receipt of such request, to the extent permitted under the laws of the Cayman Islands, the Members making such request may file the action for the Company.

#### **PROCEEDINGS OF THE BOARD**

87. The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it considers appropriate and shall from time to time establish internal rules in this regard, which shall be in compliance with the Law and the Applicable Listing Rules. During the Relevant Period, the Board meetings shall be held at least once in each quarter or within such period and frequency as may be prescribed by the Applicable Listing Rules. The quorum necessary for the transaction of the business of the Board shall be a majority of the Directors. Subject to the Law, the Applicable Listing Rules and these Articles, any matter proposed for consideration and approval at a Board meeting shall be decided by a majority of votes entitled so to do.
88. A Director may, and the Secretary on the requisition of a Director shall, summon a Board meeting by, during the Relevant Period, at least seven (7) days' notice in writing, or at any time other than during the Relevant Period, at least forty eight hours' notice in writing, to every Director which notice shall set forth the general nature of the business to be considered PROVIDED HOWEVER, without prejudice to the prescribed notice, in the event of emergency, as determined by the Board in its sole discretion, a Board meeting may be called at any time if this has been agreed to by a majority of the Directors at such meeting. Notwithstanding the forgoing, at any time other than during the Relevant Period, a notice of Board meeting may be waived by all the Directors at, before or retrospectively after the relevant Board meeting is held. Any notice or waiver thereof may be given by email, telex or telefax.
89. A Director may participate in a meeting of Board, or of any committee appointed by the Board of which such Director is a member, by means of visual communication facilities which permit all Persons participating in the meeting to see and communicate with each other simultaneously and instantaneously, and such participation shall be deemed to constitute presence in person at the meeting.
90. A Director may appoint another Director as his proxy to attend a meeting of the Board in writing with regard to a particular meeting, and state therein the scope of authority with reference to the subjects to be discussed at such meeting, in which event the presence and vote of the proxy shall be deemed to be that of the Director appointer. No Director may act as proxy for two (2) or more other Directors. Subject to these Articles, if a Director attends a Board meeting on his behalf and as the proxy of another Director, he is entitled to vote both as a proxy and for his own.
91. A Director who is in any way, whether directly or indirectly, interested in a matter discussed, considered or proposed in a meeting of the Board shall declare the nature of his interest and its essential contents at such relevant meeting. 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.
92. Subject to these Articles, the continuing Directors may act notwithstanding any vacancy in their body.
93. Notwithstanding anything to the contrary provided for in these Articles, at any time other than

- during the Relevant Period, a resolution in writing signed by all of the Directors then in office or all of the members of a committee of Directors, including a resolution signed in counterpart or by way of signed email, telex or telefax transmission, shall be as valid and effectual as if it had been passed at a Board meeting or of a committee of Directors duly called and constituted.
94. The proceedings regarding Board meetings not provided for in these Articles shall be governed by the internal rules of the Company, as adopted and amended by the Board and reported to the Members at a general meeting from time to time, which shall be in compliance with the Law and the Applicable Listing Rules (in particular, the Regulations Governing Procedure for Board of Directors Meetings of R.O.C. Public Companies).

#### **RESERVES AND CAPITALISATION**

95. During the Relevant Period, the Company shall set aside out of the profits of the Company for each financial year: (a) a reserve for payment of tax for the relevant financial year; and (b) an amount to offset losses incurred in previous year(s); and (c) a Statutory Reserve in accordance with the Applicable Listing Rules, and after the aforesaid sums as set aside from the profits for such relevant financial year for any purpose to which the profits of the Company may be properly applied, the Board shall, before recommending any dividend or bonuses, set aside the remaining profits of the Company in whole or in part for the relevant financial year as a special reserve or reserves in accordance with the order from the Commission, and the Company may also, under these Articles or by Special Resolution of the general meeting, set aside another sum as a special reserve or reserves (collectively, the "**Special Reserve**").
96. Unless otherwise provided in the Law, the Applicable Listing Rules and these Articles, neither the Statutory Reserve nor the Capital Reserve set aside during the Relevant Period shall be used except for offsetting the losses of the Company. The Company shall not use the Capital Reserve to offset its capital losses unless any Statutory Reserve or Special Reserve set aside for purposes of loss offset is insufficient to offset such losses.
97. (1) During the Relevant Period, subject to the Law, where the Company incurs no loss, it may, by a Special Resolution, distribute its Statutory Reserve, the Share Premium Account and/or the income from endowments received by the Company, which are in the Capital Reserve which are available for distribution, in whole or in part, by issuing new, fully paid Shares and/or by cash to its Members.
- (2) At any time other than during the Relevant Period, subject to the Law, the Board may capitalize any sum for the time being standing to the credit of the Share Premium Account or any of the other Company's reserve accounts which are available for distribution or any sum standing to the credit of the profit and loss account or otherwise available for distribution and to appropriate such sums to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend/bonus and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid.
98. Where any difficulty arises in regard to any declaration of dividends or bonuses or other distributions under these Articles due to any fraction held by Member(s), the Board may determine that cash payments should be made to any Members in full, or part thereof, as may seem expedient to the Board. Such decision of the Board shall be effective and binding upon the Members.

#### **COMPENSATION, DIVIDENDS AND BONUSES**

99. At any time other than during the Relevant Period, subject to the Law and these Articles and except as otherwise provided by the rights attaching to any Shares, the Board may from time to time declare dividends/bonuses to be paid to the Members according to their rights and interests, including such interim dividends/bonuses as appear to the Board to be justified by the position of the Company.
100. (1) As the Company is in the growing stage, the dividend/bonuses of the Company may be distributed in the form of cash dividends/bonuses and/or stock dividends/bonuses. The Company shall take into consideration the Company's capital expenditures, future expansion plans, and financial structure, fund requirement and other plans for sustainable development needs in assessing the amount of dividend/bonus the Company wish to distribute.

- (2) During the Relevant Period, subject to the Law, the Applicable Listing Rules and these Articles, where the Company has annual profits at the end of a financial year, upon the approval of a majority of the Directors present at a meeting attended by at least two-thirds or more of the total number of the Directors, the Company may distribute not less than one percent (1%) and not more than six percent (6%) of the profits for such year to the Employees (unless otherwise provided by the Law and the Applicable Listing Rules, the qualifications of such Employees shall be determined by the Board) as the Employees' compensation in the form of shares or in cash and may distribute not more than five percent (5%) hereof to the Directors as the Directors' compensation, provided, however, that the total amount of accumulated losses of the Company (including adjusted undistributed profits) shall be reserved from the said profits in advance, and the Company shall distribute the remaining balance thereof to the Employees and Directors in the proportion set out above. A report of such distribution of Employee and Directors' compensations shall be submitted to the general meeting of the Company. Except otherwise set forth by the Applicable Listing Rules, any Directors' compensation shall not be paid in the form of shares. The term "annual profits" as used herein shall mean the annual profits for such year before tax without deducting the amount of compensation distributed to the Employees and Directors as prescribed in this Paragraph (2) of this Article.
  - (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 earnings, after paying all relevant taxes, offsetting losses (including losses of previous years and adjusted undistributed profits, if any), setting aside the Statutory Reserve of the remaining profits in accordance with the Applicable Listing Rules (provided that the setting aside of the Statutory Reserve does not apply if the aggregate amount of the Statutory Reserve amounts to the Company's total 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) in part or in whole as determined by a resolution passed by a majority of the Directors present at a meeting of the Board attended by two-thirds or more of the total number of Directors to the Members as dividends/bonuses in proportion to the number of Shares held by them respectively pursuant to these Articles; and in addition thereto a report of such distribution shall be submitted to the general meeting, provided that, cash dividends/bonuses shall not be less than ten percent (10%) of the total amount of dividends/bonuses to Members.
  - (4) The Board may deduct from the dividends, bonuses or any other amount payable to the Member in respect of the Share any amount (if any) due by such Member to the Company on account of calls or otherwise in relation to the Share.
  - (5) Any dividend, bonus or other monies payable on or in respect of the Share may be paid by wire transfer to the bank account nominated by the Member or by cheque or warrant sent through a post to the registered address of the Member, or to such Person and to such address as the holder may nominate in writing. In the case of joint Members, any of them may give a valid receipt for the dividend, bonus or other monies payable on or in respect of the Share.
  - (6) Subject to the Law and the Applicable Listing Rules, any Special Reserve may be reversed to unappropriated profit of the Company.
101. During the Relevant Period, subject to the Law, the Applicable Listing Rules and these Articles, the Company may by a Special Resolution distribute any part or all of the dividends or bonuses to the Members declared in accordance with the preceding Article by way of applying such sum in paying up in full unissued Shares for allocation and distribution to the Members.
  102. No dividend, bonus or other distribution shall be paid otherwise than out of profits or out of monies otherwise available for dividend, bonus or other distribution in accordance with the Law. No dividend, bonus or other distribution or other money payable by the Company on or in respect of any Share shall bear interest against the Company.

### **ACCOUNTS, AUDIT, AND ANNUAL RETURN AND DECLARATION**

103. The Directors shall cause to be kept accounting records and books of account sufficient to give a true and fair view of the state of the Company's affairs and to show and explain the transactions of the Company and otherwise in accordance with the Law, at the Registered Office or at such other place(s) in such manner as may be determined from time to time by the Board and shall always be open to the inspection by the Directors.
104. During the Relevant Period, at the end of each financial year, the Board shall prepare: (a) the business report; (b) the financial statements which include all the documents and information as required by the Law and the Applicable Listing Rules (the "**Financial Statements**"); and (c) any proposal relating to the distribution of net profit and/or loss offsetting in accordance with these Articles, for adoption by the annual general meeting of the Company. Upon adoption at the annual general meeting of the Company, the Board shall distribute to each Member copies of the Financial Statements and the resolutions relating to profit distribution and/or loss offsetting. However, during the Relevant Period, the Company may make a public announcement of the abovementioned statements and resolutions instead of distributing those to each Member.
105. During the Relevant Period, the documents prepared by the Board in accordance with the preceding Article shall be made available at the Shareholder Service Agent's office in the R.O.C. for inspection during normal business hours by the Members, ten (10) days prior to the annual general meeting.
106. Subject to the Law and the Applicable Listing Rules, the Board may determine (or revoke, alter or amend any such determination) that the accounts of the Company be audited and the appointment of the Auditors.
107. During the Relevant Period, the Board shall keep copies of the Memorandum, these Articles, the minutes of every general meeting, the Financial Statements, the Register and the counterfoil of corporate bonds issued by the Company at its Shareholder Service Agent's office in the R.O.C. Any Member may request at any time, by submitting evidentiary document(s) to show his interests involved and indicating the scope of requested matters, access to inspecting, transcribing and making copies of the above documents; the Company shall make Shareholder Service Agent provide the above documents.
108. The Board in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

### **TENDER OFFER**

109. Subject to the Law and the Applicable Listing Rules, during the Relevant Period, within fifteen (15) days after receipt of the copy of the public tender offer report form, the public tender offer prospectus, and relevant documents, the Company shall make a public announcement of the following:
  - (a) the types, number and amount of shares held by the Directors and any Member holding more than ten percent (10%) of the total issued and outstanding Shares;
  - (b) the recommendations made by the Board to the Members on such tender offer, which shall set forth the identity and financial status of the tender offeror, fairness of the tender offer conditions, verification on rationality of source of fund for tender offer, and the names of the Directors who abstain or object to the tender offer and the reason(s) therefore;
  - (c) whether there is any material change in the financial condition of the Company after the delivery of its most recent financial report and the contents of such change, if any;
  - (d) the types, number and amount of the shares of the tender offeror or its affiliates held by the Directors and the Members holding more than ten percent (10%) of the total issued and outstanding Shares; and
  - (e) other relevant significant information.

### **WINDING UP**

110. Subject to the Law, the Company may be wound up by a Special Resolution passed by the Members. If the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the number of the Shares held by them.

If in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the number of the Shares held by them at the commencement of the winding up. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

111. 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 in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different Classes. 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.
112. The Company shall keep all statements, records of account and documents for a period often (10) years from the date of the completion of liquidation, and the custodian thereof shall be appointed by the liquidator or the Company by an Ordinary Resolution.

#### **NOTICES**

113. Subject to the Law and except as otherwise provided in these Articles, any notice or document may be served by the Company to any Member either personally, or by facsimile, or by sending it through the post in a prepaid letter or via a recognized courier service, fees prepaid, addressed to such Member at his address as appearing in the Register, or, to the extent permitted by the Law and the Applicable Listing Rules, by posting it on a website designated by the Commission, the Emerging Market, the TPEX or the TWSE (where applicable) and/or the Company's website, or by electronic means by transmitting it to any electronic mail number or address such Member may have positively confirmed in writing for the purpose of such service of notices. In the case of joint Members, all notices shall be given to that one of the Members whose name stands as their representative in the Register in respect of the joint holding.
114. Any Member present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting including the purpose for which such meeting was convened.
115. Any notice or other document, if served by:
- (a) post, shall be deemed to have been served on the day following that on which the letter containing the same is posted or delivered to the courier;
  - (b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;
  - (c) courier service, shall be deemed to have been served forty-eight (48) hours after the time when the letter containing the same is delivered to the courier service; or
  - (d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail, subject to the Law.
116. Any notice or document served to the registered address of any Member in accordance with these Articles shall notwithstanding that such Member be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Member as sole or joint Member.

#### **REGISTERED OFFICE OF THE COMPANY**

117. The Registered Office of the Company shall be at such address in the Cayman Islands as the Board shall from time to time determine.

#### **FINANCIAL YEAR**

118. Unless the Board otherwise prescribes, the financial year of the Company shall end on December 31<sup>st</sup> in each year and shall begin on January 1<sup>st</sup> in each year.

#### **SEAL**

119. The Company shall adopt a Seal by resolution of the Board and, subject to the Law, the Company may also have a duplicate Seal or Seals for use in any place or places outside of the Cayman

Islands. The use and management of the Seal (or duplicate Seals) may be determined by the Board from time to time pursuant to the adoption of any regulation governing the use and management of seals of the Company in accordance with the Applicable Listing Rules.

**LITIGATION AND NON-LITIGATION AGENT IN THE R.O.C.**

120. (1) Subject to the provisions of the Applicable Listing Rules, the Company shall, by resolution of the Directors, appoint or remove a person as its litigation and non-litigation agent and such agent will be deemed as the responsible person of the Company in the R.O.C. under the Applicable Listing Rules.
- (2) The preceding agent shall have residence or domicile in the R.O.C.
- (3) The Company shall report the name, residence/domicile of the preceding agent and power of attorney to the competent authority in the R.O.C. This reporting requirement shall also apply if there is any change.

**CHANGES TO CONSTITUTION**

121. Subject to the Law and the Applicable Listing Rules, the Company may, by Special Resolution, alter or amend the Memorandum or these Articles, in whole or in part.

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## Rules of Procedure for Shareholders' Meetings

### 1 Purpose

To establish a good governance system for the Shareholders' meeting of the Company, strengthen the oversight and enhance to functions of management, the rules of procedure are prepared based on the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" for compliance. Unless otherwise specified in the laws and regulations or the Charter, these rules shall be adhered to.

### 2 Scope

Applicable to M. J. International Co., Ltd.

### 3 Definition

The term "listing period," refers to period from the initial public offering, or the period included before the listing date on the emerging stocks, OTC Center of Taipei Exchange, Taiwan Stock Exchange, or any stock exchange market in Taiwan of the negotiable securities of the Company. (When such negotiable securities are suspended, the period of suspension is still included.)

### 4 Responsibilities

The Audit Unit is responsible of assisting the amendments of the rules.

### 5 Job Contents

#### 5.1 Convening shareholders' meetings and shareholders' meeting notices

5.1.1 The shareholders' meeting of the Company shall, unless otherwise provided for in the laws or the Articles of Incorporation, be convened by the Board of Directors.

5.1.2 During the period of listing, the Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders' meeting. In addition, before 15 days before the date of the shareholders' meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

5.1.3 During the periods other than the listing period, the shareholders shall be informed 5 days in advance in writing notice for the convening of the shareholders' meeting. However, up on the prior or simultaneous unanimous consent of the whole shareholders, such notice may be waived. Such notice and consents may be delivered electronically. During the periods other than the listing period, with the consents of more than a half of the shareholders with rights to attend the meetings and voting rights, who represent 95% of the issued shares, the notice of shareholders' meeting may be given in a shorter time, or be waived at all.

5.1.4 The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

## Rules of Procedure for Shareholders' Meetings

- 5.1.5 Election or dismissal of directors or supervisors, amendments to the articles of incorporation, the dissolution, merger, or de-merger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.
- 5.1.6 Shareholder(s) holding one percent (1%) or more of the total number of the Company's outstanding shares may propose to the Company a motion for discussion at a general shareholders' meeting, provided that only one matter shall be allowed in each single motion, and in case a motion contains more than one matter, such motion shall not be included in the agenda. Where the motion proposed by the shareholders meets any of the circumstances referred to in Paragraph 4 of Article 172-1 of the Company Act, the Board of Directors may not include the motion in the agenda.
- 5.1.7 Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.
- 5.1.8 Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in discussion of the proposal.
- 5.1.9 Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.
69. 5.2 Proxy Form of the Shareholders' Meeting
- 5.2.1 For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.
- 5.2.2 A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
- 5.2.3 After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
70. 5.3 Place of the Shareholders' Meeting
- The venue for a shareholders' meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
71. 5.4 Notice, Register of Attendance, Proxy, and Signing-in

## Rules of Procedure for Shareholders' Meetings

- 5.4.1 The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.
- 5.4.2 The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.
- 5.4.3 Shareholders and their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- 5.4.4 This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. This Corporation shall furnish attending shareholders with the meeting agenda book, annual report (applicable during the listing period), attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.
- 5.4.5 When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
72. 5.5 The Shareholders' Meetings Are Convened by the Board of Directors
- 5.5.1 If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.
- 5.5.2 When a managing director or a director serves as chair, as referred to in Article 5.5.1, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.
- 5.5.3 It is advisable that shareholders' meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- 5.5.4 The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.
73. 5.6 Documentation of a shareholders' meeting by audio or video
- 5.6.1 The Company, beginning from the time it accepts shareholder attendance registrations,

## Rules of Procedure for Shareholders' Meetings

shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. However, during the listing period, the recording shall be uninterrupted for whole times.

5.6.2 The recorded materials of Article 5.6.1 shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

### 74. 5.7 Calculation of the Attending Shares of the Shareholders Meetings

5.7.1 Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

5.7.2 The chairperson shall call the meeting to order at the appointed meeting time, provided that where the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement for no more than twice and for a combined total of no more than 1 hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one-thirds of the total number of issued shares, the chairperson shall declare the meeting adjourned.

5.7.3 If the quorum is not met after two postponements as referred to in Article 5.7.2 herein, but the attending shareholders represent one-thirds or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1 of Article 175 of the Company Act, and all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within 1 month.

5.7.4 When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairperson may re-submit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

### 75. 5.8 Agenda of the Shareholders' Meeting

5.8.1 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.

5.8.2 The provisions of the Article 5.8.1 apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

5.8.3 The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the Article 5.8.1 and 5.8.2 (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, 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.

5.8.4 The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

### 76. 5.9 Shareholder Speech

5.9.1 Before speaking, an attending shareholder must specify on a speaker's slip the subject of

## Rules of Procedure for Shareholders' Meetings

the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

- 5.9.2 A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
- 5.9.3 Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. Unless the prior consent for the chair is obtained, the shareholders' speeches regarding the reports specified in the agenda, only start after all the reports are read by the chair or the designated persons by the chair. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. Shall such violation be not stopped, or with other actions interrupting the meeting, the chair may take necessary treatment or judgement.
- 5.9.4 When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
- 5.9.5 When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
- 5.9.6 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
77. 5.10 Voting of the Shareholders' Meeting
- 5.10.1 Voting at a shareholders' meeting shall be calculated based the number of shares.
- 5.10.2 With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.
- 5.10.3 The number of shares for which voting rights may not be exercised under Article 5.10.2 shall not be calculated as part of the voting rights represented by attending shareholders.
- 5.10.4 With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.
78. 5.11 Voting of the Shareholders' Meeting
- 5.11.1 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.
- 5.11.2 When the Company holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are

## Rules of Procedure for Shareholders' Meetings

exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoids the submission of extraordinary motions and amendments to original proposals.

- 5.11.3 A shareholder intending to exercise voting rights by correspondence or electronic means under Article 5.11.2 shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. However, if a declaration is made to cancel the previous proxy appointment, it is not subject to this rule.
- 5.11.4 After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.
- 5.11.5 Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. Except as otherwise provided in the Company Act and in the Company's articles of incorporation, shall there be no objection to any proposal after the chair consult all the attending shareholders, it is deemed passed, with the same effect as the voting; if there is any objection, voting shall be conducted. However, the election of director shall abide by the Procedure of Directors' Election of the Company and relevant laws and regulations. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. During the listing period, after the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.
- 5.11.6 When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- 5.11.7 Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.
- 5.11.8 Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. The ballots are not announced for voting (election included). Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced

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on-site at the meeting, and a record made of the vote.

79. 5.12 Election of Directors in Shareholders' Meetings
- 5.12.1 The election of directors at a shareholders' meeting shall be held in accordance with the Procedure of Directors' Election of the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.
- 5.12.2 During the listing period, the ballots for the election referred to in Article 5.12.1 shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
80. 5.13 Minutes of Shareholders' Meetings
- 5.13.1 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.
- 5.13.2 During the listing period, the Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
- 5.13.3 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 results, and shall be retained for the duration of the existence of the Company.
81. 5.14 Public Disclosure of the Number of the Solicited Shares/Proxied Shares, and the Resolutions of Shareholders' Meetings
- 5.14.1 On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.
- 5.14.2 If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.
82. 5.15 Affairs of Shareholders' Meetings
- 5.15.1 Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.
- 5.15.2 The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
- 5.15.3 At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.
- 5.15.4 When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.
83. 5.16 Recess and resumption of a shareholders' meeting
- 5.16.1 When a meeting is in progress, the chair may announce a break based on time

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considerations. If a *force majeure* event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

5.16.2 If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

5.16.3 A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

84. 5.17 Application during the Listing Period

The rules specified in Article 5.1.6 to 5.1.9, and Article 5.14 are applicable during the listing period of the Company.

85. 5.18 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

6 Related forms

None

7 Related documents

None

8 Attachments

None



## Appendix III. Shareholdings of Directors

Shareholdings of all of the Company's directors

The shares held by the Company's directors referred to in the roster of shareholders by the date of transfer suspension (April 7, 2019) at this general shareholders' meeting are stated as follows:

Job title	Name	Current quantity of shares held	
		Quantity of shares	Shareholding
Director	Black Dragon Assets Limited (Representative: Chen Pen-Yuan)	4,478,400	6.78%
Director	Crown Harvest Company Limited (Representative: Chen Chien-Yuan)	12,204,000	18.47%
Director	Chairman Management Corp.	3,999,000	6.05%
Director	Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account (Representative: Ho Ping-Hsien)	7,779,000	11.78%
Director	Lin An-Hsiu	710,500	1.08%
Director	Hsieh Ming-Feng	760,000	1.15%
Independent director	Yeh Chun-Rong	0	0.00%
Independent director	Lin Chiang-Liang	0	0.00%
Independent director	Liao Wen-Chi	0	0.00%

Note 1: The shares issued by the Company's until the date of transfer suspension (April 7, 2019) at this general shareholders' meeting totaled 66,059,000 shares.

Note 2: The statutory quantity of shares to be held by all of the Company's directors should be 5,284,720 shares 29,995,900 shares held until the date of transfer suspension (April 7, 2019) at this general shareholders' meeting.

Note 3: The shares held by the independent directors were excluded from said quantity of shares held by all of the Company's directors.

Note 4: The Company established the Audit Committee. Therefore, no requirements about statutory quantity of shares to be held by supervisors should apply.