

Stock Code: 4137

Chlitina Holding Limited

Regular Shareholders Meeting of 2021

Meeting Agenda Handbook

Date of Shareholders Meeting: 9:00 a.m., June 8, 2021 (Tuesday)

Location of Shareholders Meeting: Meeting Room on 3rd Floor, No.123, Songren Road, Xinyi District, Taipei City

Table of Content

	Page
One. Procedural Agenda	3
Two. Meeting agenda	4
I. Issues to be reported	5~6
II. Issues to be acknowledged	6~7
III. Issue to be discussed and elected	7~8
IV. Occasional (extemporaneous) motions	8
V. Adjournment of the meeting	8
Three. Attachment	
I. Business report of 2020	9~11
II. Proposal for an audit report of 2020 from the audit committee	12~13
III. Related parties' transactions statements of 2020	14~17
IV. Independent auditor's report and financial statements of 2020	18~28
V. Distribution of earnings of 2020	29
VI. Comparison Table of "Articles of Incorporation"	30
VII. List of Directors (including Independent Directors) Fourth term Directors candidates	31~35
VIII. The details of cancellation of non-compete clause for newly-elected board members	36~37
Four. Appendix	
I. Procedural Regulations for Shareholders Meetings	38~46
II. Articles of Incorporation(pre-amendment)	47~93
III. Procedure for the election of directors	94~99
IV. Shareholding of all directors	100

One. Procedural Agenda

Chlitina Holding Limited

Procedures of regular shareholders' meeting of 2021

Call the Meeting to Order

Opening speech by the Chairperson

Issues to be reported

Issues to be acknowledged

Issue to be discussed and elected

Occasional (extemporaneous) motions

Adjournment of the meeting

Two. Meeting agenda

Chlitina Holding Limited

Agenda of regular shareholders' meeting of 2021

Date: 9:00 a.m., June 8, 2021 (Tuesday)

Location: Meeting Room on 3rd Floor, No.123, Songren Road, Xinyi District, Taipei City

Call the Meeting to Order

Opening speech by the Chairperson

Meeting agenda

I. Issues to be reported

- (1) Proposed business report of 2020.
- (2) Audit Committee's Review Report on the 2020 Financial Statements.
- (3) Report on directors and employees 2020 bonus distribution.
- (4) Report on transactions with related parties transactions in 2020.
- (5) Report on implementation of the Company's share repurchasing plan.

II. Issues to be acknowledged

- (1) Report on business performance and consolidated financial statements for 2020.
- (2) Proposed distribution of earnings of 2020.

III. Issue to be discussed and elected:

- (1) Amendment to part of the company's "Articles of Incorporation.
- (2) Election of new Directors to the Board.
- (3) Release of the newly-elected Directors from Non-compete Restrictions.

IV. Occasional (extemporaneous) motions

V. Adjournment of the meeting

I. Issues to be reported

Proposal 1: Proposed business report of 2020.

- Notes:** (1) Business report of 2020. Please refer to the Attachment I of the handbook (P.9~11).
(2) Reported sincerely.

Proposal 2: Audit Committee's Review Report on the 2020 Financial Statements.

- Notes:** (1) Audit report from the audit committee for 2020, please refer to the Attachment II of the handbook (P.12~13).
(2) Reported sincerely.

Proposal 3: Report on directors and employees 2020 bonus distribution.

- Notes:** (1) Pursuant to Articles 86, 90-1 and 90-2 of the Articles of Incorporation, and compensation committee's resolution on March 11, 2021, propose to distribute directors' compensation bonus and employees' profit sharing of NTD 10,686,124 and NTD 21,372,249 in cash.
(2) Amount describe previous matched the recognized expense in 2020.
(3) Release may only begin after it was presented in the 2021 general shareholders' meeting and the Chairman will be authorized to set the release date and related matters.
(4) Reported sincerely.

Proposal 4: Report on transactions with related parties transactions in 2020.

- Notes:** (1) Follow the requirements in Article 6 Paragraph 3 of the Company's "Rules for Managing Related Party Transactions."
(2) The report is enclosed herein. Please refer to the Attachment III of the handbook (P.14~17).
(3) Reported sincerely

Proposal 5: Report on implementation of the Company's share repurchasing plan.

- Notes:** (1) Implemented in accordance with the first "Plan for Share Repurchase and Transfer to Employees" in 2020.
(2) A total of 285,000 shares with an average buyback price of NTD 164.28 per share, or a total cost of NTD 46,820,885, were repurchased for the purpose of transferring them to employees. The transfer status is as follows:
A: Subscription date: September 3, 2020. Total shares subscribable: 285,000 for employees of the Company and of 50% or more directly or indirectly-owned

subsidiaries. Transferring price: NTD 164.28 per share.

B. Payment and transfer: 285,000 shares were paid on September 21, 2020 and were subsequently transferred on October 6, 2020.

C. Expense recognition: Expense recognition: The Salaries expenses recognized in the case is NTD 10,892,700. The amounts are based on commissioned actuary services rendered by KTMC Actuaries Co., according to the individual settlement dates, which is required by GAAP.

(3) Reported sincerely.

II. Issues to be acknowledged

Proposal 1: Report on business performance and consolidated financial statements for 2020. (Proposed by the Board of Directors)

- Notes:**
- (1) The Company's 2020 business report and consolidated financial statements, including the balance sheet, statement of comprehensive income, statements of changes in equity, statements of cash flow have audited by audited by independent auditors, Lin, Chun-Yao and Chang, Shu-Chiung of PwC Taiwan and to issue a report of unqualified opinion.
 - (2) Attach the business report of 2020, consolidated financial statements and audit report, and please refer to the Attachment I and Attachment IV of the handbook (P.9~11 and P.18~28).
 - (3) Please acknowledge.

Resolution:

Proposal 2: Proposed to distribution of earnings of 2020. (Proposed by the Board of Directors)

- Notes:**
- (1) Net income generated in 2020 was NTD 959,635,553, after setting aside the legal reserve of NTD 95,952,766 and deducting back NTD changes 107,898 from actuarial gains and losses in defined benefit plan, and adding up the reversal inspecial reserve of NTD 76,677,843, and the beginning earnings of 509,953,157, total earnings available for distribution reached NTD 1,450,205,889.
 - (2) According to Article 91 of the Articles of Incorporation, a cash distribution to shareholders of NTD 675,684,975 is proposed (cash dividends of NTD 8.5 per share). Distribution made to is rounded down to NTD one dollar. Total distribution made less than NTD one dollar will be transferred to capital reserve and wait for shareholders' meetings acceptance and further authorization to the Board in setting

the Ex-dividends date as well as matters regarding the distribution.

- (3) In the event that the proposed distribution is affected by a buyback of shares or issuance of new shares for transferring treasury shares to employees or for equity conversion in connection with convertible corporate bonds or employee stock options, it is proposed that the Board of Directors be authorized to resolve the relevant issues.
- (4) Attach the distribution of earnings of 2020, please refer to the Attachment V of the handbook (P.29).
- (5) Please acknowledge.

Resolution:

III. Issue to be discussed and elected:

Proposal 1: Amendment to part of the company's "Articles of Incorporation." (Proposed by the Board of Directors)

- Notes:**
- (1) Reflective of the modifications made to the laws and regulations and the Company's needs, revision to part of the Articles of Incorporation is intended.
 - (2) Please refer to the Attachment VI of the handbook for the comparison table regarding the amendments (P.30).
 - (3) Sincere resolution.

Resolution:

Proposal 2: Election of new Directors to the Board. (Proposed by the Board of Directors)

- Notes:**
- (1) Based on Articles 58 of the Articles of Incorporation, the office term of the first Board will end on June 4, 2021. Accordingly, the company proposes to elect new Board members at this year's Annual Meeting of Shareholders. According to Article 195 of the Company's Articles of Incorporation, in case no election of new directors is organized after the expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until new directors have been elected and have assumed office.
 - (2) According to Articles of Incorporation, a total of 7 board members (including 3 independent directors) shall be elected under the election regulations set by competent authorities during the shareholders meeting from a list of candidates. New Directors will come on board after the annual shareholders' meeting. The office term for the new board will begin June 8, 2021 and last for three years until June 7, 2024.
 - (3) Please refer to the Attachment VII of the handbook for list of Directors (including Independent Directors) Fourth term Directors candidates (P.31~35).
 - (4) Please duly proceed with the election process.

Resolution:

Proposal 3: Release of the newly-elected Directors from Non-compete Restrictions. (Proposed by the Board of Directors)

- Notes:**
- (1) According to Article 209 of the Company's Articles of Incorporation, a Director who enters for himself or on behalf of another person into a trade that is within the scope of the Company's business, shall explain at the shareholders' meeting the essential contents of such activities and secure their approval.
 - (2) The non-compete clause may be removed through the shareholders' meeting for new directors whose other investments or businesses are overlapping with or similar to the Company's business but do not affect its operation or interests.
 - (3) For the details of cancellation of non-compete clause for newly-elected board members, please refer to the Attachment VIII of the handbook (P.36~37).
 - (4) Sincere resolution.

Resolution:

IV. Occasional (extemporaneous) motions

V. Adjournment of the meeting

[Attachment I]

Chlitina Holding Limited 2020 Business Report

Chlitina Holding Limited (hereinafter referred to as the “Company”) hereby reports its 2020 operating results and the summary of the business plan for 2021:

I. 2020 operating results:

(I) Business plan and implementation:

Consolidated revenue of the Company in 2020 was NT\$4,055,996 thousand, down by 21.07% as compared to NT\$5,138,879 thousand in 2019. Net income after taxes was NT\$959,636 thousand, as compared to NT\$1,432,163 thousand in 2019, or a 32.99% decline.

In terms of geographical breakdown, 96.55% of sales, or NT\$3,916,121 thousand, were made in Mainland China, as the region remained the largest market for the Company and its focus for business expansion.

(II) Analysis of financial revenues and expenditures and profitability:

For the financial balance and structure, the assets to liabilities ratio was 51%, the current ratio was 210%, and the net profit margin was 23% in 2020, with a net cash inflow of NT\$1,521,646 thousand. This demonstrates that even under the severe impact of the epidemic, the Company was still able to maintain ample cash flow, stable profitability, and an excellent financial structure.

(III) Performance in research and development

The Company strives to apply the concept of a “medicine-based, beauty-oriented” skincare by providing professional solutions to women’s skin issues. Introducing advanced technology to the industry and focusing on various consumer groups in different market segments, the company continues to launch new products and broaden the distribution of its lines of products. In 2020, the Company’s franchise channels launched a series of essential oils extracted from the highest quality plants available from around the world, as well as new references in our skin repair and anti-ageing lines: the Timeless Youthful Complexion Series and the Youthkeeper Serum – this product integrating the fruit of our own patented R&D, the nanostructured advanced lipid carrier technology, and being formulated with 7 core nanopeptides. Meanwhile, as an extension of our franchise channel, our e-commerce channel continues to offer products selected for their “trendiness,” “high-efficiency,” and “fast action” qualities. Different products are launched through different channels in order to satisfy the needs of each individual consumer in terms of personalized skincare and healthy lifestyles to the greatest extent possible.

(IV) Status of budget implementation

As there was no disclosure of any financial forecast in 2020, there is no information on budget achievement.

II. Summary of the business plan for 2021:

(V) Operation guidance:

1. We will continue to promote the brand’s philosophy of “Women, Love Bravely,” truly taking consumers’ needs as the basis for exclusive and precise skin care solutions, and responding to the key imperatives that are “timely, suitable, and economical.” The Company also intends to strengthen its high-quality, high-end brand image by promoting the brand by varied means such as in-depth reports in the traditional and in the new media, sponsoring prestigious international events, holding large-scale events, and advertising through other types of media in order to increase brand awareness among consumers and to attract high-end consumers. We will also organize online and offline marketing events to strengthen loyalty to the brand among consumers as well as among franchisees. And we will actively expand business scale and improve operational performance to maximize shareholder's equity.

2. Regarding the franchise channel, based on the marketing principle of “intensive cultivation,” we will work on improving management at existing franchises to help them increase

profitability and overall quality, in the constant pursuit of long-term robust growth.

In Mainland China, we will actively tap consumption potential and consumers' needs in markets where we have low coverage. In each area, we will continue to strengthen the management at every level, maintain an efficient network expansion, while also taking into account the quality of that expansion.

In Hong Kong, Taiwan, and Southeast Asia, we will deepen brand awareness and speed up the addition of new stores to the network. We will reach out to local beauty markets by improving and enforcing franchise management strategies that are adapted to local developments. Furthermore, we will research and develop beauty and health products that are suitable for local consumers.

3. As far as e-commerce is concerned, the focus will continue to be on the steady growth of both the number of members and the quantity of purchase orders. We will combine the existing distribution channel resources of the Company while developing middle- and high-end products for the expansion of the width and length of the product chain complemented by 24/7 marketing approaches with no geographical limit in order to improve the network deployment and product coverage.

4. In the field of aesthetic medicine, we have promoted the development of our own aesthetic medicine clinics. Combining aesthetics, medicine and science, we are providing consumers with comprehensive beauty, health, and anti-ageing services. We also set foot in the high-end cosmetic medicine industry, taking advantage of advanced artificial intelligence and regenerative medicine to bring additional momentum to the Company's revenue.

(I) Future development strategy:

The Company will continue to achieve non-stop sales growth for different channels, expand the group's business territory and push forward the process of internationalization, by implementing the strategies of "high-efficiency treatment products," "multi-channel selling," and "diversified marketing" in accordance with the macro environment, industry characteristics, and market preference.

III. The impact of external competition, legal environment, and overall business operation environment

(I) The impact of external competition and overall business operation environment:

In 2020, despite the severe impact of the new coronavirus epidemic, China's economic growth rate recovered steadily and better than expected, and China finally proved to be the only major economy around the world to achieve annual GDP growth. According to the "2020 National Economic and Social Development Statistics Bulletin" published by the National Bureau of Statistics of China, in 2020, China's total economic output exceeded the one-hundred-trillion-RMB mark, and the GDP was RMB101.6 trillion, or a year-on-year increase of 2.3%. Tertiary industries accounted for 54.5% of China's total GDP. Under the stimulation of multiple factors such as industrialization, the development of the information technology and elevated consumer spending, growth in the tertiary, especially in the service industry, remained strong. Consumption continues to be a driving force with an annual contribution of 57.3% to economic growth for the whole year. The level of urbanization keeps on increasing and the income gap between urban and rural residents continues to narrow. Local residents' income grew faster than economic growth. The annual per capita disposable income increased by 4.7% as compared to the previous year. Excluding price factors, the real growth rate was 2.1%. The development of the service industry, continuing urbanization and the increase of per capita disposable income of urban residents all show the huge potential of the consumer goods market in China. The annual total retail sales of consumer goods reached RMB39.2 trillion, a decrease of 3.9% from the previous year. Among the retail sales of goods above the designated size limit, cosmetics saw a growth rate of 9.5%. Even under the overall adverse economic situation, cosmetics still have market support for stable growth. It is worth noting that in 2020, online retail sales of physical goods reached RMB9.8 trillion, an increase of 14.8% over the previous year, accounting for 24.9% of the total retail sales of consumer goods.

In 2020, against the backdrop of the severe impact of the new coronavirus, while the rest of the

global economies were entering deep recession, China’s giant economy moved forward firmly. As the economy improves and gradually returns to normal, the quality of development also improves steadily. Quality of life and wellbeing are likewise on the rise, and all kinds of social activities are flourishing, with overall improvements in ecological and environmental quality. Meanwhile, with the support of a series of innovative and entrepreneurial activities and achievements, new industries, new formats and new business models have been emerging and are becoming the new driving force for economic growth and structural adjustment. In 2020, online retail sales grew by 14.8% as compared to the previous year, accounting for 24.9% of the total retail sales of consumer products, an increase of 4.0 percentage points from the previous year.

In a rapidly changing external environment, the markets for beauty and skincare franchise and consumer goods are becoming more and more competitive. In a fragmented competitive market, high-quality brands have a strong market appeal and more opportunities for market integration. At the same time, franchisees’ business operations are directly affected by the macroeconomic environment and consumers’ disposable income. Under the current urbanization and mass entrepreneurship drives, the development of e-commerce will help break down geographical limits and expand consumer groups, which will bring more business opportunities to the Company. The transformation and upgrading of traditional industries and the online-and-offline integrated marketing methods have further highlighted the Company’s competitive advantage in combining unique products and services.

(II) Impact from the Legal Environment:

To operate skin care products manufacturing and franchise business in China, companies need to obtain numerous licenses and approvals and comply with the following regulations: “Hygienic Standard for Cosmetics,” “Regulations Concerning the Hygiene Supervision over Cosmetics,” “Detailed Rules for the Implementation of the Regulation on the Hygiene Supervision over Cosmetics,” “Industrial Production Authorization Regulations,” “Domestic Non-special Purpose Cosmetics Record Management Method,” and “Cosmetics Labels Instructions Management Regulations,” as well as “Regulation on the Administration of Commercial Franchises.” Obtaining relevant licenses in accordance with the laws and regulations has a significant impact on the Company’s business operations. As of the date of publication of this annual report, the Company has not yet obtained all of the licenses and permits required for business operations.

Chairperson: Chen, Pi-Hua



Manager: Chao, Chen-Yu



Accounting Supervisor: Yeh, Chien-Chih



[Attachment II]

Chlitina Holding Limited Audit Report from the Audit Committee

The Board of Directors has submitted the Company's 2020 business report and financial statements. Independent auditors, Lin, Chun-Yao and Chang, Shu-Chiung of PwC Taiwan, were retained by the Board to audit the financial statements and has issued an audit report accordingly. The business report and financial statements, and earnings appropriation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of the Company. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Attn.

2021 General Shareholders' Meeting of Chlitina Holding Limited

Chlitina Holding Limited

Audit Committee

Convened by: Tsai, Yu-Ching



蔡玉晶

March 11, 2021

Chlitina Holding Limited

Audit Report from the Audit Committee

The Board of Directors has submitted the Company's 2020 earnings appropriation proposal. The 2020 earnings appropriation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of the Company. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Attn.

2021 General Shareholders' Meeting of Chlitina Holding Limited

Chlitina Holding Limited

Audit Committee

Convened by: Tsai, Yu-Ching



蔡玉晶

April 20, 2021

Summary in Related parties transactions

[Attachment III]

Proposed summary of the related parties' transactions in Q4 2020 as shown in the appendix:

(I) Name and relationship of the related parties:

Name of related party	Major business	Region	Relationship with the consolidated
Kelti (China) Daily Product Co., Ltd. (hereinafter referred to as Kelti (China) Co., Ltd.)	Manufacture, sell and direct sell skin-care and cosmetic	China	Affiliates companies
Chlitina International Trade Co., Ltd. (hereinafter referred to as Chlitina International Trade Co., Ltd.)	Distribute and direct sell skin-care products	Republic of China	Affiliates companies
Zhaocang (Shanghai) Trading Co., Ltd. (hereinafter referred to as Zhaocang (Shanghai) Trading)	Distribute and direct sell skin-care products	China	Affiliates companies
Sagittarius Life Science Corp. (hereinafter referred to as Sagittarius Life Science Corp.)	Manufacture health products	Republic of China	Affiliates companies
Chaoneng Biochemical Technology Co., Ltd. (hereinafter referred to as Chaoneng Co., Ltd.)	Manufacture health products and others products	Republic of China	Affiliates companies
Charming Biotech Corporation (hereinafter referred to as Charming Biotech Corporation)	Manufacture health products	Republic of China	Affiliates companies
Jin Yongji Co., Ltd. (hereinafter referred to as Jin Yongji Co., Ltd.)	Investment and leasing business	Republic of China	Affiliates companies
New Kinpo Group Co., Ltd. (hereinafter referred to as New Kinpo Group Co., Ltd.)	Real estate investment and skin-care product	Hong Kong	Affiliates companies
Lee, Tsai & Partners (hereinafter referred to as Lee, Tsai & Partners)	General legal affairs	Republic of China	The representative of the law firm is a Board Director of the
Kangsi Co., Ltd. (original Global Interactive Marketine Co., Ltd.) (hereinafter referred to as Kangsi Co., Ltd.)	Online shop	Republic of China	Affiliates companies
MC. Reene Co. Ltd. (hereinafter referred to as MC. Reene)	Agency and importing business	Thailand	Affiliates companies
Shanghai Zhomei Vocational Training (hereinafter referred to as Zhomei Vocational Training)	Beauty practitioners training	China	Affiliates companies
Shanghai Guangqiao Biotechnology (hereinafter referred to as Guangqiao Biotechnology)	Technology development within the field of bio-	China	Affiliates companies
Shanghai Zhongye Trading Co., Ltd. (hereinafter referred to as Shanghai Zhongye Trading)	Food and daily necessities distribution	China	Affiliates companies
Chlitina International Trade Co., Ltd., Taiwan Branch (hereinafter referred to as Chlitina International)	Other cosmetic product and health product selling	Republic of China	Affiliates companies
Chen, Wu-Kang	Natural person	Natural person	The Chairman is a first-degree relative
Biodynasty Co., Ltd. (hereinafter referred to as Biodynasty)	Other chemical product and food	Republic of China	Affiliates companies
General Biologicals Corp. (hereinafter referred to as General Biologicals)	Development and sales of biological reagents	Republic of China	Affiliates companies
Max Exchange Corp. (hereinafter referred to as Max Exchange)	Medical equipment wholesale and retail	Republic of China	Affiliates companies
Long Chuang Daily Product (Guanezhou) Co., Ltd. (hereinafter referred to as Long Chuang Daily Product)	Soap and detergent production selling	Republic of China	Affiliates companies

2. Substantial Trading Events with Related Parties

1. Operating revenues

	Q4 of 2020		Q4 of 2019	
	RMB	NTD	RMB	NTD
Product sales:				
Shanghai Zhongye Trading	\$415	1,785	\$227	976
Kelti (China) Co., Ltd.	105	466	1,150	5,127
Other (below RMB 500 K)	90	387	53	221
Total	\$610	2,638	\$1,430	6,324

	2020		2019	
	RMB	NTD	RMB	NTD
Shanghai Zhongye Trading	\$602	2,579	\$994	4,440
Kelti (China) Co., Ltd.	940	4,022	1,437	6,422
Other (below RMB 500 K)	282	1,206	406	1,816
Total	\$1,824	7,807	\$2,837	12,678

Selling prices from the Consolidated Company to associated companies are not significantly different from that to regular customers. The associate company payment term is 60 days; sales to regular customers are prepaid.

2. Purchase of Goods

	Q4 of 2020		Q4 of 2019	
	RMB	NTD	RMB	NTD
Charming Biotech Corporation	\$1,703	7,479	\$3,098	13,482
Sagittarius Life Science Corp.	5	82	0	(29)
Biodynasty	370	1,588	0	0
New Kinpo Group Co., Ltd.	0	96	0	0
Kelti (China) Co., Ltd.	36	158	95	398
Shanghai Zhongye Trading	232	993	390	1,715
Zhaocang (Shanghai) Trading	134	692	799	3,569
Other (below RMB 500 K)	432	1,854	0	(2)
Total	\$2,912	12,942	\$4,382	19,133

	2020		2019	
	RMB	NTD	RMB	NTD
Charming Biotech Corporation	\$9,801	41,962	\$10,262	45,853
Sagittarius Life Science Corp.	2,617	11,205	572	2,557
Biodynasty	594	2,541	0	0
New Kinpo Group Co., Ltd.	4,146	17,749	0	0
Kelti (China) Co., Ltd.	353	1,509	640	2,861
Shanghai Zhongye Trading	276	1,180	904	4,038
Zhaocang (Shanghai) Trading	5,165	22,114	799	3,569
Other (below RMB 500 K)	600	2,569	34	152
Total	\$23,552	100,829	\$13,211	59,030

Purchasing prices from the associated companies are through mutual negotiation and is payable within 60 days, which is not significant different from purchase from non-related vendors.

3. Receivables With Related Party

	31-Dec-20		31-Dec-19	
	RMB	NTD	RMB	NTD
Accounts receivable - related				
Other (below RMB 500 K)	\$502	2,195	\$163	704
Subtotal	\$502	2,195	\$163	704
Other receivables - related				
Other (below RMB 500 K)	\$194	849	\$198	849
Subtotal	\$194	849	\$198	849
Total	\$696	3,044	\$361	1,553

Receivables from related parties are not secured and are interest free.

4. Payable with related parties

	31-Dec-20		31-Dec-19	
	RMB	NTD	RMB	NTD
Accounts payable - related				
Charming Biotech Corporation	\$710	3,106	\$2,931	12,615
Sagittarius Life Science Corp.	0	0	0	0
Kelti (China) Co., Ltd.	1,993	8,722	2,031	8,744
Other (below RMB 500 K)	491	2,150	902	3,885
Subtotal	\$3,194	13,978	\$5,864	25,244
Other accounts payable - related				
Kelti (China) Co., Ltd.	\$1,938	8,483	\$1,315	5,661
Lee, Tsai & Partners	643	2,814	1,412	6,077
Other (below RMB 500 K)	65	285	69	298
Subtotal	\$2,646	11,582	\$2,796	12,036
Total	\$5,840	25,560	\$8,660	37,280

Receivables from related parties are not secured and are interest free.

5. Prepaid with related parties

	31-Dec-20		31-Dec-19	
	RMB	NTD	RMB	NTD
Prepaid - related parties:				
Other (below RMB 500 K)	44	193	185	796
Subtotal	\$44	193	\$185	796

6. Property transaction —

	Q4 of 2020		Q4 of 2019	
	RMB	NTD	RMB	NTD
Zhaocang (Shanghai) Trading	\$0	-	\$0	-
	2020		2019	
	RMB	NTD	RMB	NTD
Zhaocang (Shanghai) Trading	\$0	-	\$0	-

It is transferred to other related parties at a certain ratio according to the acquisition cost. The amount payable yet to be paid-off of the merged company is to be transferred to the other related parties at a certain ratio as mentioned above.

7. Work Compensation

	Q4 of 2020		Q4 of 2019	
	RMB	NTD	RMB	NTD
Kelti (China) Co., Ltd.	\$180	781	\$156	671
Lee, Tsai & Partners	(137)	(574)	1,645	7,337
Other (below RMB 500 K)	0	0	0	0
Total	\$43	207	\$1,801	8,008

	2020		2019	
	RMB	NTD	RMB	NTD
Kelti (China) Co., Ltd.	\$651	2,787	\$671	2,998
Lee, Tsai & Partners	390	1,670	1,955	8,738
Other (below RMB 500 K)	0	0	0	0
Total	\$1,041	4,457	\$2,626	11,736

Charges and payment terms of professional service provided by the associated companies are agreed through mutual negotiation.

8. Lease

	31-Dec-20		31-Dec-19	
	RMB	NTD	RMB	NTD
Rent real estate property				
Kelti (China) Co., Ltd.	\$17,784	76,137	\$0	0
Jin Yongji Co., Ltd.	8,152	34,900	0	0
Chaoneng Co., Ltd.	557	2,383	0	0
Chen, Wu-Kang	9,387	40,187	8,559	38,246
Long Chuang Daily Product	0	0	2,999	13,401
Other (below RMB 500 K)	0	0	0	1
Total	\$35,879	153,607	\$11,558	51,648

	31-Dec-20		31-Dec-19	
	RMB	NTD	RMB	NTD
Lease liabilities				
Kelti (China) Co., Ltd.	\$15,205	66,553	\$2,895	12,461
Jin Yongji Co., Ltd.	7,974	34,900	0	0
New Kinpo	551	2,411	1,738	7,481
Chen, Wu-Kang	16,889	73,921	8,757	37,699
Long Chuang Daily Product	3,162	13,839	0	0
Chaoneng Co., Ltd.	544	2,383	2,707	11,655
Charming Biotech Corporation	0	0	1,451	6,248
Chlitina International	0	0	624	2,688
Other (below RMB 500 K)	1	2	0	(1)
Total	\$44,326	\$194,010	\$18,172	78,230

	Q4 of 2020		Q4 of 2019	
	RMB	NTD	RMB	NTD
Interest expenses				
Other (below RMB 500 K)	158	691	104	449
Total	\$158	\$691	\$104	449

	2020		2019	
	RMB	NTD	RMB	NTD
Interest expenses				
Other (below RMB 500 K)	777	3,327	104	449
Total	\$777	\$3,327	\$425	1,899

Lease fees contracted between the associated companies are based on market reference rates and negotiation and are settled with normal payment terms.

9. Training cost

	Q4 of 2020		Q4 of 2019	
	RMB	NTD	RMB	NTD
Zhemei Vocational Training	\$0	0	\$0	(384)

	2020		2019	
	RMB	NTD	RMB	NTD
Zhemei Vocational Training	\$0	0	\$7,702	34,416

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Chlitina Holding Limited

Opinion

We have audited the accompanying consolidated balance sheets of Chlitina Holding Limited and its subsidiaries (the "Group") as at December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. 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 Group's 2020 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2020 consolidated financial statements are stated as follows:

Accuracy of sales discounts and allowances calculation and recognition

Description

Refer to Note 4(27) for accounting policy on sales discounts and allowances.

The Group offers sales discounts and allowances to customers based on mutual agreement which is recorded as deduction to operating revenue. Given its mathematical complexity, large volume and its significance in determining the Group's operating performance and financial condition for the investors and key management, we consider it one of the key audit matters.

How our audit addressed the matter

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

- A. Tested whether the internal controls over sales and collection process (including manual and system controls) are effectively designed and performed.
- B. Obtained documentation reviewed and approved by key management to verify whether the estimates and calculation on sales discounts and allowances are accurate.
- C. Tested selected samples of sales discounts and allowances transaction, reviewed the supporting documentation and confirmed whether they are accurate.

Accounting estimates on inventory valuation

Description

Refer to Note 4(12) for accounting policy on inventory valuation, Note 5 for accounting estimates and assumption uncertainty in relation to inventory valuation and Note 6(5) for details of inventories.

The Group is primarily engaged in the research and development, manufacturing and sales of skincare products. Due to the short expiration dates of its products, the Group is exposed to higher risks of inventory valuation loss or overdue loss when purchase orders are modified or product demand deteriorates unexpectedly. The Group evaluates inventories stated at the lower of cost and net realisable value and recognises provision based on the length of time to the products' expiration date.

Since the amount of inventories is significant, the inventory items are numerous, the evaluation of inventories is subject to management's judgement and the accounting estimations will have a significant influence on the inventory values, we consider the valuation of inventories as one of the key audit matters.

How our audit addressed the matter

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

- A. Assessed whether the policy on the allowance for inventory valuation loss is reasonable based on our understanding of the Group's operations and industry.
- B. Tested whether the market value on which the net realisable value is estimated is consistent with the Group's policy, and validated, on a test basis, the selling price and the accuracy of net realisable value calculation.
- C. Obtained the detailed listings of products' expiration date, and inspected the related supporting documents and proper recognition in the financial statements.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. 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.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. 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.
- E. 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.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 of the current period 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.

Lin, Chun-Yao

Chang, Shu-Chiung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 11, 2021

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of dollars)

	Asset	Notes	December 31, 2020			December 31, 2019		
			CNY	TWD	%	CNY	TWD	%
	Current Assets							
1100	Cash and cash equivalents	6(1)	\$ 1,221,784	\$ 5,347,749	60	\$ 1,267,476	\$ 5,456,484	67
1136	Financial assets at amortized cost - current	6(1)(3)	-	-	-	1	4	-
1150	Notes receivable, net		-	-	-	3	13	-
1170	Accounts receivable, net	6(4)	792	3,467	-	58	250	-
1180	Accounts receivable - related parties, net	6(4)and7	502	2,195	-	163	704	-
1200	Other receivables		6,459	28,273	-	3,333	14,349	-
1210	Other receivables - related parties	7	194	849	-	198	849	-
130X	Inventories	6(5)	106,782	467,385	5	88,870	382,585	5
1410	Prepayments	7	15,676	68,613	1	20,596	88,666	1
1470	Other current assets		-	-	-	123	530	-
11XX	Total current assets		1,352,189	5,918,531	66	1,380,821	5,944,434	73
	Non-current assets							
1510	Financial assets at fair value through profit or loss - non-current	6(2)	21,618	94,622	1	-	-	-
1535	Financial assets at amortized cost - non-current	6(1)(3)	112,000	490,224	6	-	-	-
1550	Investments accounted for using equity method	6(6)	49,824	218,080	2	4,543	19,558	1
1600	Property, plant and equipment, net	6(7)and7	314,456	1,376,374	15	317,705	1,367,720	17
1755	Right-of-use assets	6(8)and7	131,519	575,659	6	114,688	493,732	6
1760	Investment property, net		17,731	77,609	1	18,725	80,611	1
1780	Intangible assets, net	6(9)	18,001	78,790	1	23,088	99,394	1
1840	Deferred income tax assets	6(24)	12,018	52,603	1	6,987	30,079	-
1990	Other non-current assets		18,573	81,294	1	27,511	118,435	1
15XX	Total non-current assets		695,740	3,045,255	34	513,247	2,209,529	27
1XXX	Total assets		\$ 2,047,929	\$ 8,963,786	100	\$ 1,894,068	\$ 8,153,963	100

- Continued -

CHILITINA HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of dollars)

	Liabilities and Equity	Notes	December 31, 2020		December 31, 2019		
			CNY	TWD	CNY	TWD	
	Current liabilities						
2100	Short-term loans	6(10)	\$ 150,956	\$ 660,734	\$ 388,162	\$ 1,671,037	20
2130	Current contract liabilities	6(18)	82,207	359,820	56,007	241,110	3
2170	Accounts payable		13,177	57,676	15,307	65,897	1
2180	Accounts payable - related parties	7	3,194	13,978	5,864	25,244	-
2200	Other payables	6(11)	178,549	781,509	125,202	538,995	7
2220	Other payables - related parties	7	2,646	11,582	2,796	12,036	-
2230	Current income tax liabilities		47,356	207,277	30,674	132,052	2
2280	Lease liabilities - current	7	31,197	136,549	28,228	121,522	1
2320	Long-term borrowings - current portion	6(12)	58,561	256,321	-	-	-
2645	Guarantee deposits		76,134	333,241	70,346	302,840	4
21XX	Total current liabilities		643,977	2,818,687	722,586	3,110,733	38
	Non-current liabilities						
2540	Long-term borrowings	6(12)	291,502	1,275,904	62,676	269,820	3
2570	Deferred income tax liabilities	6(24)	5,331	23,334	6,415	27,617	-
2580	Lease liabilities - non-current	7	99,314	434,697	83,502	359,476	5
2640	Net defined benefit liabilities	6(13)	651	2,849	1,049	4,516	-
25XX	Total non-current liabilities		396,798	1,736,784	153,642	661,429	8
2XXX	Total liabilities		1,040,775	4,555,471	876,228	3,772,162	46
	Equity attributable to shareholders of the parent						
	Share capital						
3110	Common stock	6(15)	161,772	794,924	161,772	794,924	10
	Capital surplus						
3200	Capital surplus	6(14)(16)	277,143	1,375,164	271,792	1,351,932	17
	Retained earnings						
3310	Legal reserve	6(17)	150,794	691,593	116,727	548,377	7
3320	Special reserve		123,415	549,959	73,482	340,039	4
3350	Unappropriated retained earnings		283,991	1,469,479	389,684	1,896,488	23
	Other equity						
3410	Financial statements translation differences of foreign operations		9,928	(473,279)	4,383	(549,959)	(7)
3420	Unrealised gains (losses) from financial assets at fair value through other comprehensive income		111	475	-	-	-
3XXX	Total equity		1,007,154	4,408,315	1,017,840	4,381,801	54
	Significant contingent liabilities and unrecognised contract commitments	9					
3X2X	Total liabilities and equity		\$ 2,047,929	\$ 8,963,786	\$ 1,894,068	\$ 8,153,963	100

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

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of dollars, except earnings per share data)

Items	Notes	For the year ended December 31, 2020			For the year ended December 31, 2019		
		CNY	TWD	%	CNY	TWD	%
4000 Operating revenue	6(18) and 7	\$ 947,375	\$ 4,055,996	100	\$ 1,149,997	\$ 5,138,879	100
5000 Operating costs	6(5)(23) and 7	(141,212)	(604,571)	(15)	(183,147)	(818,411)	(16)
5900 Gross profit		806,163	3,451,425	85	966,850	4,320,468	84
Operating expenses	6(23) and 7						
6100 Selling expenses		(366,185)	(1,567,748)	(39)	(400,409)	(1,789,267)	(35)
6200 Administrative expenses		(178,313)	(763,411)	(19)	(166,076)	(742,127)	(14)
6000 Total operating expenses		(544,498)	(2,331,159)	(58)	(566,485)	(2,531,394)	(49)
6900 Operating profit		261,665	1,120,266	27	400,365	1,789,074	35
Non-operating income and expenses							
7100 Interest income	6(19)	18,765	80,339	2	14,674	65,572	1
7010 Other income	6(20)	30,811	131,911	3	25,518	114,030	2
7020 Other gains and losses	6(21)	24,270	103,907	3	16,636	74,340	1
7050 Finance costs	6(22) and 7	(12,211)	(52,279)	(1)	(13,022)	(58,190)	(1)
7060 Share of profit or loss of associates and joint ventures accounted for under equity method	6(6)	2,293	9,817	-	(576)	(2,574)	-
7000 Total non-operating income and expenses		63,928	273,695	7	43,230	193,178	3
7900 Profit before tax		325,593	1,393,961	34	443,595	1,982,252	38
7950 Income tax expense	6(24)	(101,447)	(434,325)	(11)	(123,101)	(550,089)	(11)
8200 Profit for the year		\$ 224,146	\$ 959,636	23	\$ 320,494	\$ 1,432,163	27
Other comprehensive income (loss)							
Components of other comprehensive income (loss) that will not be reclassified to profit or loss							
8311 Losses on remeasurements of defined benefit plans	6(13)	(\$ 25)	(\$ 108)	-	(\$ 19)	(\$ 85)	-
8330 Share of other comprehensive income of associates and joint ventures accounted for under equity method		111	475	-	-	-	-
8310 Other comprehensive income (loss) that will not be reclassified to profit or loss		86	367	-	(19)	(85)	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss							
8361 Financial statement translation differences of foreign operations		8,675	90,079	2	(11,952)	(209,920)	(4)
8370 Share of other comprehensive loss of associates and joint ventures accounted for under equity method	6(6)	(3,130)	(13,399)	-	-	-	-
8360 Total comprehensive income (loss) that will be reclassified to profit or loss		5,545	76,680	2	(11,952)	(209,920)	(4)
Other comprehensive income (loss) for the year		5,631	77,047	2	(11,971)	(210,005)	(4)
8500 Total comprehensive income for the year		\$ 229,777	\$ 1,036,683	25	\$ 308,523	\$ 1,222,158	23
Earnings per share (in dollars)	6(25)						
9750 Basic earnings per share		\$ 2.82	\$ 12.09		\$ 4.03	\$ 18.02	
9850 Diluted earnings per share		\$ 2.82	\$ 12.07		\$ 4.02	\$ 17.98	

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

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of dollars)

	Notes	For the year ended December 31, 2020		For the year ended December 31, 2019	
		CNY	TWD	CNY	TWD
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		\$ 325,593	\$ 1,393,961	\$ 443,595	\$ 1,982,252
Adjustments					
Adjustment to reconcile profit (loss)					
Depreciation	6(7)(8)(21)(23)	67,795	290,250	51,840	231,652
Amortization	6(9)(23)	5,491	23,510	6,020	26,901
Expected credit impairment losses	6(21)	-	-	2,000	8,937
Net gain on financial assets at fair value through profit or loss	6(2)(21)	(2,875)	(12,309)	(5,984)	(26,740)
Interest expense	6(22)	12,211	52,279	13,022	58,190
Interest income	6(19)	(18,765)	(80,339)	(14,674)	(65,572)
Compensation cost of share-based payments	6(14)	2,532	10,893	-	-
Share of profit or loss of associates and joint venture accounted for using equity method	6(6)	(2,293)	(9,817)	576	2,574
Loss on disposal of property, plant and equipment	6(21)	144	618	200	894
Loss from lease modifications	6(8)(21)	50	214	-	-
Changes in operating assets and liabilities relating to operating activities					
Changes in operating assets					
Financial assets and liabilities at fair value through profit or loss		2,875	12,309	5,984	26,740
Notes receivable		3	13	(3)	(13)
Accounts receivable		(734)	(3,142)	1,715	7,664
Accounts receivable - related parties		(339)	(1,451)	323	1,443
Other receivables		(239)	(1,023)	102	456
Other receivables - related parties		4	17	2	9
Inventories		(17,912)	(76,687)	19,255	86,043
Prepayments		4,984	21,338	(4,810)	(21,494)
Changes in operating liabilities					
Contract liabilities		26,200	112,170	6,555	29,292
Accounts payable		(2,130)	(9,119)	(802)	(3,584)
Accounts payable - related parties		(2,670)	(11,431)	2,705	12,088
Other payables		53,587	229,422	(2,397)	(10,711)
Other payables - related parties		(150)	(642)	817	3,651
Net defined benefit liabilities		(415)	(1,777)	(72)	(322)
Guarantee deposits		5,788	24,780	6,623	29,596
Cash provided by operating activities		458,735	1,964,037	532,592	2,379,946
Interest paid		(12,451)	(53,306)	(12,966)	(57,940)
Income tax paid		(90,880)	(389,085)	(109,310)	(488,463)
Net cash provided by operating activities		355,404	1,521,646	410,316	1,833,543

- Continued -

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of dollars)

	Notes	For the year ended December 31, 2020		For the year ended December 31, 2019	
		CNY	TWD	CNY	TWD
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Acquisition of financial assets at amortised cost		(\$ 112,000)	(\$ 479,506)	(\$ 76,092)	(\$ 340,025)
Proceeds from disposal of financial assets at amortised cost		1	4	127,592	570,158
Acquisition of financial assets at fair value through profit or loss		(21,618)	(92,553)	-	-
Increase in prepayment of investments		-	-	(2,000)	(8,937)
Decrease (increase) in other current assets		123	527	(51)	(228)
Increase in investments accounted for using equity method		(43,189)	(177,624)	-	-
Acquisition of property, plant and equipment	6(7)	(23,017)	(98,543)	(42,828)	(191,382)
Proceeds from disposal of property, plant and equipment		56	240	47	210
Acquisition of subsidiary	6(26)	-	-	(3,037)	(13,571)
Acquisition of intangible assets	6(9)	(109)	(467)	(1,385)	(6,189)
Decrease (increase) in other non-current assets		3,164	13,546	(13,088)	(58,485)
Interest received		15,878	67,978	14,835	66,292
Net cash (used in) provided by investing activities		(180,711)	(766,398)	3,993	17,843
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>					
Repayment of the principal portion of lease liabilities	6(27)	(33,928)	(145,256)	(25,027)	(111,836)
(Decrease) increase in short-term borrowings	6(27)	(223,353)	(956,239)	155,240	693,706
Proceeds from long-term borrowings	6(27)	342,594	1,466,746	63,120	282,060
Repayment of long-term borrowings	6(27)	(34,012)	(145,616)	-	-
Purchase of treasury stocks		(11,003)	(46,821)	-	-
Treasury stocks transferred to employees		11,003	46,821	-	-
Payment of cash dividends	6(17)	(245,814)	(1,033,401)	(210,529)	(953,908)
Net cash flows used in financing activities		(194,513)	(813,766)	(17,196)	(89,978)
Effects due to changes in exchange rates		(25,872)	(50,217)	(12,017)	(250,927)
(Decrease) increase in cash and cash equivalents		(45,692)	(108,735)	385,096	1,510,481
Cash and cash equivalents at beginning of period		1,267,476	5,456,484	882,380	3,946,003
Cash and cash equivalents at end of period		\$ 1,221,784	\$ 5,347,749	\$ 1,267,476	\$ 5,456,484

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

Chlitina Holding Limited
Distribution of Earnings in 2020

[Attachment V]

Unit: NT\$

Unappropriated retained earnings for previous year	509,953,157
Less: Defined benefit plan, and actuarial profits and losses	107,898
Add: Net profit after tax in this year	959,635,553
Withheld items	
Less: Legal reserve - 10%	95,952,766
Add: Special earnings reserve - Difference in exchange rates from the conversion of financial statements of overseas operating entities (Reversal)	76,677,843
Distribution of earnings for this year	1,450,205,889
Appropriation items:	
Shareholders' dividend - Cash	675,684,975
Unappropriated retained earnings for this year	774,520,914
<p>Note: Cash dividends per share was NTD 8.5</p>	

Chairperson: Chen, Pi-Hua



Manager: Chao, Chen-Yu



Accounting Supervisor: Yeh, Chien-Chih



[Attachment VI]

Chlitina Holding Limited

Articles of Incorporation

After amendment	Before amendment	Reasons for amendment
<p>38-1.</p> <p><u>Notwithstanding the provision of these Articles, unless otherwise provided by the Law or the Applicable Listing Rules, a resolution adopted by two-thirds or more of the votes of the Shareholders who represent the total number of issued Shares of the Company shall be required for a Merger or Consolidation of the Company where the Company is dissolved thereafter, and for a general transfer, a Share Swap, or a Spin-off resulting in a termination of trading or listing of the Shares on any stock exchange, where the surviving, transferee, existing or newly incorporated company is not a listed or OTC company.</u></p> <p>第38-1條</p> <p><u>無論本章程是否有其他規定，除開曼法令或上市（櫃）規範另有規定外，本公司參與合併後消滅、概括讓與、股份轉換或分割而致終止上市，且存續、受讓、既存或新設之公司為非上市（櫃）公司者，應經本公司全部已發行股份總數三分之二以上股東之同意行之。</u></p>	<p>(Newly incorporated.)</p> <p>（本條新增）</p>	<p>Amended in accordance with Article 18, Article 27, Article 29, and Article 35 of the Business Mergers And Acquisitions Act.</p> <p>依企業併購法第 18 條、第 27 條、第 29 條、第 35 條規定修訂。</p>

Chlitina Holding Limited

List of the candidates of of the Fourth term directors (including independent directors)

No	Candidate Type	Name	Education	Experience	Current Positions	Affiliation	Whether the director has assumed the post of an independent director for three consecutive terms or more
1	Director	Chen, Pi-Hua	EMBA, Tongji University Ph.D of Keuka College, USA	Chairman of Chlitina Holding Limited	Chairman of Chlitina Holding Limited Representative/Director of General Biologicals Corp. Director of (BVI) Chlitina Group Limited, Director of (BVI) Chlitina International Limited, Director of (BVI) Chlitina Intelligence Limited Director of Centre de Recherche et de Developpement de Director of CHLITINA FRANCE EURL, Director of Hong Kong Chlitina International Limited Director of (BVI) Chlitina Marketing Limited Director of (BVI) W-Amber International Limited, Director of (BVI) W-Amber Marketing Limited Director of Hong Kong W-Amber International Limited Director of (BVI) W-Champion International Limited Director of (BVI) W-Champion Marketing Limited Director of Hong Kong W-Champion International Limited Director of (BVI) Jingya International Marketing Limited Director of Hong Kong Jingya International Marketing Limited Director of Hong Kong Crystal International Services Limited Director of Huapao Sdn. Bhd. Director of Bi Ning Limited Liability Co., Director of Yong Li Trading Company Limited Executive Director of Chlitina (China) Trade Limited Executive Director of Weishuo (Shanghai) Daily Product Limited Executive Director of W-Amber (Shanghai) Trade Limited Executive Director of W-Champion (Shanghai) Trade Limited Executive Director of Jingya (Shanghai) Trading Co., Ltd. Executive Director of Shanghai Yuanshuo Management Consulting Limited, Executive Director and General Manager of Cuijie (Shanghai) Trading Co., Ltd. Executive Director of Li Shuo (Shanghai) Biotechnology Co., Ltd. Executive Director of Shanghai Yapu Medical Beauty Treatment Clinic Co.,Ltd., Manager of Branch of British Virgin IS., Chlitina Marketing Limited Taiwan Branch Manager of Branch of British Virgin IS., Chlitina Intelligence Limited Taiwan Branch Director of (BVI) Desheng Global Limited Ltd. Director of (BVI) Wealthy Garden Investment Limited Director of (BVI) J&R International Holding Limited Director of (BVI) Pure Sky International Limited Director of Dida Biomedical Limited Director of San Yen So International Co., Ltd. Director of Cheng Yang Trading Co., Ltd. Supervisor of Chlitina International Limited Director of Quan Feng Sheng Investment Co., Ltd. Director of Jin Yongji Co., Ltd. Director of Chaoneng Biochemical Technology Co., Ltd.	-	Not applicable

Chlitina Holding Limited

List of the candidates of of the Fourth term directors (including independent directors)

No	Candidate Type	Name	Education	Experience	Current Positions	Affiliation	Whether the director has assumed the post of an independent director for three consecutive terms or more
2	Director	Chen, Pei-Wen	MBA, US Seton Hall University - MBA, Stillman School of Business	Representative/Director of Chlitina Holding Limited	Representative/Director of Chlitina Holding Limited Supervisor of Jingya (Shanghai) Trading Co., Ltd. Director of J&V Global Limited Director of TuTu & Bow International Limited Director of FORTUNE RADIANCE INVESTMENT LIMITED Director of Huapao Sdn. Bhd. Director of Bi Ning Limited Liability Co., Ltd. Supervisor of Kelti (China) Daily Product Co., Ltd. Supervisor of Jin Yen (Shanghai) Biotech Co., Ltd. Supervisor of Zhaocang (Shanghai) Trading Co., Ltd. Chairman of San Yen So International Co., Ltd. Representative/Director of Phiwing International Co., Ltd. Representative/Director of Chlitina International Limited Director of Chlitina International Trade Co., Ltd. Director of Charming Biotech Corporation Director of Dida Biomedical Limited Chaoneng Biochemical Technology Supervisor of Jin Yongji Co., Ltd. Supervisor of Quan Feng Sheng Investment Co., Ltd.	Wealthy Garden Investment Limited	Not applicable
3	Director	Wu, Sizong	Master of Economics, Shanghai University of Finance and Economics Bachelor of Economics, Jiangxi University of Finance and Economics Professor of Jiangxi University of Finance and Economics	Professor of Tongji University	Director of Chlitina Holding Limited Professor of Tongji University Independent Director of Top Spring International Holdings Limited Independent Director of Shanghai Shimao Group Independent Director of Namtai Property Group	-	Not applicable

Chlitina Holding Limited

List of the candidates of of the Fourth term directors (including independent directors)

No	Candidate Type	Name	Education	Experience	Current Positions	Affiliation	Whether the director has assumed the post of an independent director for three consecutive terms or more
4	Director	Tsai, Yu-Ling	Department of Law, National Taiwan University	Co-founder of Lee, Tsai & Partners	<p>Director of Chlitina Holding Limited</p> <p>Member of Taipei Smart City Committee</p> <p>Member of International Affairs Committee, Taipei City Government</p> <p>Member of Data governance Committee, Taipei City Government</p> <p>Municipal Advisor of Taipei City Government</p> <p>Chairman of Ching Chu Co., Ltd.</p> <p>Director of Jess Link Products Co., Ltd.</p> <p>Director of Le Gala International Ltd.</p> <p>Director of Chenbro Micom Co., Ltd.</p> <p>Chairman of Taiwan FinTech Association</p> <p>Supervisor of Artificial Intelligence Foundation</p> <p>Director of K. T. Li Foundation for Development of Science and Technology</p> <p>Standing Director of Spark Taiwan Women on Boards Association</p> <p>Supervisor of Huafan University</p> <p>Director of the Chinese Arbitration Association</p> <p>CEO of Fair Winds Foundation</p> <p>Convener of Legal Assistance Working Group, Taiwan Blockchain Alliance</p> <p>Member of International Affairs Committee, Taitung County Government</p>	-	Not applicable
5	Director	Chao, Chen-Yu	Bachelor of Communication, Fudan University Master's, School of Economy and Management, Tongji University	CEO of Chlitina Holding Limited	<p>CEO of Chlitina Holding Limited</p> <p>Supervisor of Shanghai Yuanshuo Management Consulting Limited</p> <p>Executive Director and General Manager of Shanghai Zhongye Trading Co., Ltd.</p> <p>Supervisor of Cui Jie (Shanghai) Trading Co., Ltd.</p> <p>Supervisor of Hedeng Clinic (Shanghai) Co., Ltd.</p> <p>Supervisor of Shanghai Yapu Medical Beauty Treatment Clinic Co.,Ltd.,</p> <p>Supervisor of Shanghai Lunxin Medical Beauty Treatment Clinic Co., Ltd.</p> <p>Executive Director of Shanghai Zhemei Vocational Training Co., Ltd.</p> <p>Executive Director of Shanghai Cheng Yang Trading Co., Ltd.</p> <p>Chairman of Cheng Yang Trading Co., Ltd.</p> <p>Representative and Director of Kangshuo biomedical Co., Ltd.</p> <p>Director of Yahe Consulting Co., Ltd.</p> <p>Director of (BVI) CAPITAL FAITH DEVELOPMENT LIMITED</p>	-	Not applicable

Chlitina Holding Limited

List of the candidates of of the Fourth term directors (including independent directors)

No	Candidate Type	Name	Education	Experience	Current Positions	Affiliation	Whether the director has assumed the post of an independent director for three consecutive terms or more
6	Independent director	Tsai, Yu-Chin	PhD, School of Accounting, Shanghai University of Finance and Economics Master, College of Accounting, National Chengchi University	Director of the Audit Dept., KPMG Professor, Dept.of Accounting, China University of Technology Passing High Level CPA Civil Test	Independent director/ Member of Audit Committee/ Member of Remuneration Committee of Chlitina Holding Limited Supervisor of Nichidenbo Corporation Independent director/ Member of Audit Committee/ Member of Remuneration Committee of ITEQ CORPORATION Assistant Professor, Dept. of Accounting, China University of Technology	-	Ms. Yu-Chin Tsai has served as an independent director of Chlitina for three consecutive terms. She has proven invaluable to the Company thanks to her professional abilities in finance, corporate management and corporate governance experience. She will therefore again be nominated as an independent director candidate. When she is performing her duties as an independent director, she can still use her expertise to supervise the board of directors and provide opinions.
7	Independent director	Kao, Peng-Wen	MBA, Duke University, USA - graduation	General Manager and COO of Walsin Lihwa Corp	Independent director/ Member of Audit Committee/ Member of Remuneration Committee of Chlitina Holding Limited	-	Ms. Peng-Wen Kao has served as an independent director of Chlitina for three consecutive terms. She has proven invaluable to the Company thanks to her professional abilities in finance, corporate management and corporate governance experience. She will therefore again be nominated as an independent director candidate. When she is performing her duties as an independent director, she can still use her expertise to supervise the board of directors and provide opinions.

Chlitina Holding Limited

List of the candidates of of the Fourth term directors (including independent directors)

No	Candidate Type	Name	Education	Experience	Current Positions	Affiliation	Whether the director has assumed the post of an independent director for three consecutive terms or more
8	Independent director	Yu, Hung-Ding	Dept. of Computer & Applied Sciences, Soochow University - graduation	System Engineer, Products Manager and Business Manager of IBM Taiwan General Manager, UNIX Server Products Department, IBM China General Manager, Midranger Server System Department, Greater China, IBM China General Manager, East and Central China, IBM China General Manager, Production, Great China, IBM China General Manager, IBM Taiwan	Independent director/ Member of Audit Committee/ Member of Remuneration Committee of Chlitina Holding Limited Independent Director of Tymphony Acoustic Technology HK Ltd.	-	Mr. Hung-Ding Yu has served as an independent director of Chlitina for three consecutive terms. He has proven invaluable to the Company thanks to his professional abilities in information management, business management professionals and corporate governance experience. He will therefore again be nominated as an independent director candidate. When he is performing his duties as an independent director, he can still use his expertise to supervise the board of directors and provide opinions.

[Attachment VIII]

The details of cancellation of non-compete clause for newly-elected board members

Title	Name	Position held currently in other companies
Director	Chen, Pi-Hua	Representative/Director of General Biologicals Corp. Director of (BVI) Desheng Global Limited Ltd. Director of (BVI) Wealthy Garden Investment Limited Director of (BVI) J&R International Holding Limited Director of (BVI) Pure Sky International Limited Director of Dida Biomedical Limited Director of San Yen So International Co., Ltd. Director of Cheng Yang Trading Co., Ltd. Supervisor of Chlitina International Limited Director of Quan Feng Sheng Investment Co., Ltd. Director of Jin Yongji Co., Ltd. Director of Chaoneng Biochemical Technology Co., Ltd.
Director representative	Chen, Pei-Wen	Director of J&V Global Limited Director of TuTu&Bow International Limited Director of FORTUNE PADIANCE INVESTMENT LIMITED Supervisor of Kelti (China) Daily Product Co., Ltd. Supervisor of Jin Yen (Shanghai) Biotech Co., Ltd. Supervisor of Zhaocang (Shanghai) Trading Co., Ltd. Chairman of San Yen So International Co., Ltd. Representative/Director of PHIWING International Co., Ltd. Director of Chlitina International Trade Co., Ltd. Director of Charming Biotech Corporation Director of Dida Biomedical Limited Supervisor of Chaoneng Biochemical Technology Supervisor of HUNZAS Co., Ltd. Supervisor of Jin Yongji Co., Ltd. Supervisor of Quan Feng Sheng Investment Co., Ltd.
Director	Wu, Sizong	Independent Director of Top Spring International Holdings Limited Independent Director of Shanghai Shimao Group Independent Director of Namtai Property Group
Director	Tsai, Yu-Ling	Chairman of Ching Chu Co., Ltd. Director of Jess Link Products Co., Ltd. Director of Le Gala International Ltd. Director of Chenbro Micom Co., Ltd.

Title	Name	Position held currently in other companies
Director	Chao, Chen-Yu	Executive Director of Shanghai Zhemei Vocational Training Co., Ltd. Executive Director of Shanghai Cheng Yang Trading Co., Ltd. Chairman of Cheng Yang Trading Co., Ltd. Representative / Director of Kangshuo biomedical Co., Ltd. Director of Yahe Consulting Co., Ltd. Director of (BVI) Capital Faith Development Limited
Independent director	Tsai, Yu-Chin	Supervisor of Nichidenbo Corporation Independent director of ITEQ CORPORATION
Independent director	Yu, Hung-Ding	Independent Director of Tymphany Acoustic Technology HK Ltd.

Procedural Regulations for Shareholders Meetings

Article 1. To establish a strong governance system and sound supervisory capabilities for the Company's meeting of shareholders and to strengthen management capabilities, specially set these Regulations in according with "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and provided for follow.

Article 2. The Shareholders' Meeting Procedure Rules of the Company shall be duly handled in accordance with these Regulations unless otherwise prescribed in laws or Articles of Incorporation.

Article 3. Unless otherwise prescribed by law, the shareholders' meeting of the Company shall be convened by the Board of Directors.

Before public offering of the Company, convened shareholders for the regular session shall prepare the Meeting Agenda Handbook and notice to shareholders shall be given 7 days in advance, notice to shareholders for special session shall be given 5 days in advance.

After public offering of the Company, convened shareholders for the regular session shall notices for the shareholders' meeting, blank forms of proxies, issues pending for acknowledgement, issues pending for discussion, election or discharge of directors and supervisors and other issues and guidelines into electronic files and transmit them onto the Market Observation Post System (MOPS) 30 days prior to a regular shareholders meeting or 15 days prior to a special shareholders meeting. The Company shall, likewise, produce the Meeting Agenda Handbook and the supplementary data of the meeting into electronic files and transmit them to the Market Observation Post System (MOPS) 21 days prior to a regular shareholders meeting or 15 days prior to a special shareholders meeting. The shareholders' meeting shall prepare the Meeting Agenda Handbook and supplementary data of the meeting available to all shareholders and display them at the Company and the Company delegated the professional services agent 15 days prior to the shareholders' meeting and shall have the same handed out on-the-spot the shareholders' meeting.

The notices and public announcements shall expressly provide the subjects of the meeting and may be served in electronic means subject to consent by the target addressees.

Election or dismissal of directors, amendment to the Articles of Incorporation, capital reduction, application for cessation of public offering, approval for directors to compete with the Company, capital increase from retained earnings or capital reserve, the dissolution, merger or division of the Company, or any matter under Paragraph 1, Article 185 of the Company Act shall be set out with description of the main details in the reasons for convening the shareholders meeting. None of the said matters may be raised by any extempore motion. The main details may be posted on any website designated by the competent authority of securities

Where a new election of all directors and the date when the elected directors begin their term have been specified in the reasons for convening the shareholders' meeting, the meeting may not change that date through an extempore motion or any other way after the election is completed at the same meeting.

Any shareholder holding 1% or more of the total number of issued shares may submit to the Company a proposal in writing for discussion at a regular shareholders meeting. Such a proposal shall be limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. Where a proposal from any shareholder provides suggestions for the Company to enhance public interest or fulfill social responsibility, the Board of Directors may include it in the meeting agenda. Where any of the circumstances under Paragraph 4, Article 172-1 of the Company Act applies to a proposal submitted by any shareholder, the Board of Directors may exclude it from the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce the start of receipt of shareholder proposals, the methods for receipt of the proposals in a written or electronic form, and the location and time period for receipt of the proposals. The time period for receipt of the proposals may not be less than 10 days.

A proposal submitted by any shareholder shall be limited to 300 Chinese characters, and no proposal containing more than 300 Chinese characters will be included in the meeting agenda. Any shareholder submitting a proposal shall attend the regular shareholders' meeting in person or by proxy and participate in the discussion of the proposal.

Prior to the date of notice of the shareholders' meeting, the Company shall inform any shareholder submitting a proposal of the processing result of the proposal and shall include in the meeting notice any proposal that meets the requirements of this Article. At the shareholders meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder proposal not included in the meeting agenda.

Article 4. For each shareholder's meeting, a shareholder may issue a proxy in the standard form printed and provided by the Company, expressly specifying the scope of the powers bestowed to delegate a proxy to attend the shareholders' meeting on his or her behalf.

A shareholder may issue one proxy and may only delegate one proxy. The proxy shall be served to the Company 5 days prior to the date scheduled for the shareholders' meeting. In case of double proxies, the proxy shall be entertained on the first come first served basis unless the preceding proxy is declared withdrawn.

After a proxy is served to the Company, if a shareholder decides to participate in the shareholders' meeting in person or to exercise voting rights in writing or through electronic means, he or she shall inform the Company in writing to withdraw the proxy 2 days prior to the date scheduled for the shareholders' meeting. In the event that such shareholder is overdue in withdrawing the notice, the voting rights exercised by the delegated proxy shall prevail.

Article 5. (Principle for location and date of convening shareholders' meeting)

A shareholders' meeting shall be convened at a venue where the Company is headquartered or a convenient for shareholders to attend and venue well oriented to convening a shareholders' meeting. A shareholders' meeting shall be convened at a time not prior to 9:00 a.m. or later than 3:00 p.m., the location and date shall take adequate account of the opinions offered by the independent directors.

Article 6. (Preparation of the attendance book and other documents)

The Company shall specify in the shareholders meeting notice the shareholder registration time, registration location, and any other relevant matters.

Shareholders are required to check in for the shareholders' meeting thirty minutes prior to the time scheduled to start the meeting. The check-in point shall be expressly remarked and shall be adequately staffed to serve participating shareholders.

A shareholder or a proxy delegated by a shareholder (hereinafter collectively referred to as a shareholder) shall participate in the shareholders' meeting based on the participation identity certificate, participation sign-in card or other identity certificate. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. A proxy solicitor shall further present his or her identity certificate ready for verification.

The Company shall get ready sign-in book to enable the shareholders or a proxy (hereinafter collectively referred to as a shareholder) to sign. A participating shareholder may, as well, present his or her sign-in card instead of signing to prove presence.

The Company shall hand over the Meeting Agenda Handbook, Annual Report, participation certificates, memo to speak, voting ballots and other information and data of the meeting to the shareholders who participate in the shareholders' meeting; along with the election ballots if the directors and supervisors are to be elected in that event.

A shareholder shall participate in the shareholders' meeting based on the participation identity certificate, participation sign-in card or other identity certificate. A proxy solicitor shall further present his or her identity certificate ready for verification.

Where the juristic person is a shareholder of the Company, the representative(s) participating in a shareholders' meeting shall not be confined to one. Where a juristic person is delegated to participate in a shareholders' meeting, such juristic person may only assign one representative to participate in the meeting.

Article 7. (The chair and non-voting participants of a shareholders meeting)

A shareholders' meeting shall be chaired by the chairman if it is convened by the Board of Directors. In the event that the chairman is absent or unavailable to exercise the responsibilities and powers, the chairman shall

appoint a director to act on behalf. Where the chairman does not appoint a director as the substitute, one director shall be elected from among themselves to act on his/her behalf.

Where a managing director or a director acts as the chairperson as mentioned in the preceding paragraph, such managing director or director shall only be the one who has served with the Company for more than 6 months and has been well aware of the Company's financial standing and business operation. This same provision is applicable mutatis mutandis to an event where the chairperson is the representative of a juristic person director.

A shareholders' meeting convened by the Board of Directors should be chaired by the chairman in person and should call for participation and presence by a majority of the total number of director seats in the Board of Directors along with a minimum of one supervisor and at least one representative of each functional committee, the facts of participation shall be entered into the minutes of the shareholders' meeting.

Where a shareholders' meeting is convened by another convener beyond the Board of Directors, such meeting shall be chaired by that convener. In the event that there are two or more conveners, one shall be elected from among themselves to chair the meeting.

The Company may appoint the retained Attorney(s)-at-Law, Certified Public Accountant(s) or relevant personnel to participate in a shareholders' meeting and answer relevant questions during the meeting.

Article 8. (Audio or video recording of shareholders meetings)

The Company shall make continuous audio and video recordings of the entire shareholders meeting starting with the acceptance of shareholder registrations to the proceedings of the meetings and the entire voting and counting process.

The audio and video data shall be retained for at least 1 year. In the event that a shareholder lodges litigation in accordance with Article 189 of the Company Act, nevertheless, the ballots shall be archived until after the litigation is concluded.

Article 9. The participation by shareholders shall be calculated based on the number of shares so represented. The number of shares represented by the participating shareholders shall be calculated based on the sign-in book or the submitted sign-in cards, added with the number of shares with voting rights that are exercised in writing or in electronic means.

The chairperson shall announce opening of the meeting when the time schedule is due. When the present shareholders do not constitute a majority of the aggregate total of outstanding shares, nevertheless, the chairperson may announce a deferment in opening of the meeting. The deferments shall not exceed the maximum of twice and not exceed an hour in accumulation. In the event that the present shareholders are still less than one-third of the aggregate total of the outstanding shares after the

twice deferments, the chairperson may announce the termination of the meeting.

Where the present shareholders still fail to constitute the minimum quorum after two deferments as mentioned in the preceding paragraph but are more than one-third of the aggregate total of the outstanding shares, a tentative resolution may be passed in accordance with Article 175 of the Company Act in Taiwan and the Company shall reconvene another shareholders' meeting within 1 month.

In the event that the number of shares represented by present shareholders is up to a majority of the aggregate total of the outstanding shares, the chairperson may refer the tentative resolution so adapted to the shareholders' meeting for resolution anew in accordance with Article 174 of the Company Act.

Article 10. (Discussion of proposals)

If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The relevant proposals (including extempore motions and amendments to the original proposals) shall be subject to voting on a one-by-one basis. The meeting shall proceed in accordance with the set agenda, which may not be changed without a resolution of the meeting.

The provision set forth under the preceding paragraph is equally mutatis mutandis applicable to a shareholders' meeting that is convened by a convener beyond the board of directors.

Pursuant to the agenda mentioned (including the occasional (extemporaneous) motions) in the two preceding paragraphs, the chairperson shall not announce adjournment of the meeting until the agenda is concluded unless duly resolved in the meeting. In the event that the chairperson breaches the Rules of Procedure for Shareholders Meetings by unlawfully announcing adjournment of the meeting, other members in the Board of Directors shall promptly help the present shareholders elect one person through a majority vote to continually chair the meeting based on the legal procedures.

The chairperson shall give sufficient opportunities for explanation and discussion of any proposal or any amendment or extempore motion submitted by a shareholder. If the chairperson determines the proposal, amendment or motion can be put to a vote, he/she may end the discussion and submit the proposal, amendment or motion to a vote, with sufficient voting time arranged.

Article 11. (Shareholder speech)

A present shareholder shall fill up and submit the speech note before speaking up. The speech note shall expressly bear the gist of the speech, shareholder account code (or the code of the participation identity certificate) and name of account. The chairperson shall fix the order to speak up.

A shareholder who fails to speak up after submitting the speech note is deemed as having not spoken up. Where the contents actually spoken are

found different from the entries in the speech note, the contents actually spoken shall prevail.

On a same issue, each shareholder shall not speak more than twice unless given consent by the chairperson. Each speech shall not exceed five minutes. Where a shareholder speaks in contravention of the rules or beyond the scope of the specified issues, the chairperson may stop the speaker.

Where a present shareholder is speaking up, other shareholder(s) shall not speak to interfere unless the consent has been obtained from the chairperson and the speaking shareholder. The chairperson shall stop the offender, if any.

Where a juristic person assigns two or more representatives to participate in a shareholders' meeting, only one of the representatives may speak for a same issue.

After a present shareholder completes speech, the chairperson may respond either in person or through a relevant person designated.

Article 12. (Calculation of voting shares and recusal system)

The voting rights in the shareholders' meeting shall be duly calculated based on the number of shares.

During the voting process of a shareholders' meeting, the number of shares held by shareholders who hold no voting rights shall not be counted into the of the aggregate total of the outstanding shares.

On an issue under discussion in a shareholders' meeting, a shareholder who is in the interested involvement in such issue that is likely to impair the interests of the Company shall not join the voting process, nor shall he or she exercise the voting rights as a proxy for another shareholder.

The number of shares mentioned in the preceding paragraph that could not be exercised for voting rights shall not be counted as the voting rights of the shareholders who are already present in the meeting.

Except a trust enterprise or a shareholder services agent approved by the competent authority in charge of securities affairs, when one person is delegated as a proxy for two or more shareholders, the voting rights under his or her proxy shall not exceed 3% of the aggregate total of the outstanding shares. The voting rights in excess of such limit shall be discarded.

Article 13. Each shareholder is entitled to one vote, except restricted or without voting rights listed under Paragraph 2, Article 197-1 of the Company Act in Taiwan.

Where a shareholders' meeting is convened by the Company, voting rights shall be exercised electronically and may be exercised in writing. When the voting rights are to be exercised in writing or electronically, such means of exercise shall be expressly provided in the notice to the shareholders' meeting. Any shareholder exercising voting rights in a written or electronic form will be deemed as having attended the shareholders' meeting in person, but also deemed as having waived his/her

rights with respect to the extempore motions and amendments to original proposals at that meeting. It is therefore advised that the Company avoid the submission of extempore motions and amendments to original proposals.

In case of voting rights being exercised in writing or electronic means as mentioned in the preceding paragraph, the expression of intents shall be served to the Company 2 days prior to the date scheduled for the shareholders' meeting. In case of double expressions in intent, they shall be managed on a come first served basis unless the preceding expression is declared withdrawn.

After a shareholder exercises voting rights in writing or electronic means, if he or she intends to participate in the shareholders' meeting in person, he or she shall revoke the expression of intent mentioned in the preceding paragraph in the means same as that used for exercise of voting rights in writing or electronic means 2 days prior to the date scheduled for the shareholders' meeting. In the event that he or she fails to revoke within the specified time limit, he or she shall still exercise voting rights in writing or electronic means. In the event that a shareholder exercises voting rights in writing or electronic means and participates in the shareholders' meeting through a proxy with a written proxy, the exercise of voting rights in writing or electronic means by his or her proxy shall prevail.

Unless otherwise provided for in the Company Act and in the Company's Articles of Incorporation, decisions in the shareholders' meeting shall be resolved by a majority vote in the meeting that is attended by shareholders who represent a majority of the aggregate total of the outstanding shares. During the voting, the chair or a person designated by the chair shall first announce for each proposal the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the shareholders meeting, the number of for and against votes as well as abstentions shall be entered into the MOPS.

Where a same issue is accompanied with an amendment or a substitute, the chairperson shall resolve the order of voting along with the initial issue. In the event that one among them is satisfactorily resolved, other issues are deemed to have been vetoed and calling for no voting process any more.

The ballot monitor(s) and counting staff for voting process shall be appointed by the chairperson. A monitor shall be appointed only out of shareholders.

The ballots in voting or election process in a shareholders' meeting shall be counted in an open manner inside the venue and the outcome shall be announced on-the-spot after the counting process is completed, including the statistics for the voting rights which shall be covered into the written records.

Article 14. (Issues in election)

Where directors and supervisors are elected in a shareholders' meeting, the election shall be duly conducted in accordance with relevant election guidelines defined by the Company. The outcome of the election, including the names of elected directors and supervisors and the number of election powers so won by them, shall be announced on-the-spot.

The ballots for the election process mentioned in the preceding paragraph shall be tightly sealed up, signed by the monitor and shall be archived for a minimum of 1 year. In the event that a shareholder lodges litigation in accordance with Article 189 of the Company Act, nevertheless, the ballots shall be archived until after the litigation is concluded.

Article 15. Minutes of shareholders' meeting shall be duly worked out, signed and sealed by the chairperson and served to all shareholders within 20 days from the meeting. The minutes may be produced and distributed in electronic means.

After public offering of the Company, distribute the minutes as mentioned in the preceding paragraph through public announcement by inputting into the Market Observation Post System (MOPS).

The meeting minutes shall accurately record the year, month, day and place of the meeting, the chairperson's name, the methods by which resolutions are adopted, a summary of the meeting proceedings and the voting results (including the number of voting rights calculated). Where there is an election of directors, the number of voting rights received by each candidate shall be disclosed. The meeting minutes shall be retained for the duration of the existence of the Company.

Article 16. (Public disclosure)

The Company shall, on the very day while the shareholders' meeting is scheduled to be convened, duly produce statistical statement at the specified formulas to cover the number of shares successfully solicited by the solicitors and the number of shares under agency of the delegated proxies and shall expressly promulgate those on-the-spot of the shareholders' meeting.

After public offering of the Company, if matters put to a resolution at a shareholders meeting constitute material information under the applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17. (Maintenance of order at meeting venue)

The staff serving on the shareholders' meeting shall wear identity certificates or arm-bands.

The chairperson may instruct disciplinary personnel or security guards to maintain the sound order of the meeting. The disciplinary personnel or security guards shall wear the identity certificates reading "disciplinary guards" or the like while maintaining the sound order of the meeting.

Where the shareholders' meeting site is equipped with loud-speaking facilities and where a shareholder speaks with the facility not provided by the Company, the chairperson may stop himself or herself from speaking.

Where a special shareholders meeting is in contravention of the Rules of Procedure for Shareholders Meetings and defies the discipline from the

chairperson, the chairperson may instruct the disciplinary personnel or security guards to expel him or her out of the venue.

Article 18. (Recess and resumption of meeting)

Upon the process of a meeting, the chairperson may announce an intermission as the actual situations may justify. Upon occurrence of force majeure, the chairperson may rule a suspension from the meeting and announce the time to resume the meeting as the actual situations may justify.

In the event that the venue for a shareholders' meeting could not be continually used until the issues set under the agenda (including occasional (extemporaneous) motions) are concluded, the shareholders' meeting may resolve a decision to relocate to another venue to continue the meeting.

As per Article 182 of the Company Act, the shareholders' meeting may resolve a decision to postpone the meeting within 5 days or to continue the process of the meeting.

Article 19. These Rules of Procedure for Shareholders Meetings shall come into enforcement after being duly resolved in the shareholders' meeting. This same provision is applicable mutatis mutandis to an event of an amendment.

The first amendment of these Rules came into force after it was approved by the special shareholders meeting on August 23, 2012.

The second amendment of these Rules came into force after it was approved by the shareholders meeting on April 8, 2013.

The third amendment of these Rules came into force after it was approved by the shareholders meeting on June 17, 2015.

The fourth amendment of these Rules came into force after it was approved by the shareholders meeting on June 5, 2020.

EIGHTH AMENDED AND RESTATED
ARTICLES OF ASSOCIATION

OF

Chlitina Holding Limited
麗豐股份有限公司

(as adopted by a Special Resolution passed on June 5, 2020)
(with effect from June 5, 2020)



THE COMPANIES LAW (REVISED)
COMPANY LIMITED BY SHARES
EIGHTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION
OF
CHLITINA HOLDING LIMITED
麗豐股份有限公司
(as adopted by a Special Resolution passed on June 5, 2020)
(with effect from June 5, 2020)

INTERPRETATION

1. The Regulations contained or incorporated in Table A of the First Schedule of the Companies Law (Revised) of the Cayman Islands (as amended 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 of the R.O.C., or any similar statute and the rules and regulations of the R.O.C. authorities thereunder, and the rules and regulations promulgated by the Financial Supervisory Commission, the GTSM (including the Emerging Market) 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;



Audit Committee Board	has the meaning set forth in Article 85; 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;
Chairman	has the meaning given thereto in Article 62;
Class or Classes	Any class or classes of Shares as may from time to time be issued by the Company;
Commission	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	Chlitina Holding Limited 麗豐股份有限公司;
Consolidation	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 for the time being who collectively form the Board, and “Directors” means 2 or more of them;
electronic	shall have the meaning given to it in the Electronic Transactions Law (2003 Revision) (as amended) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force including every other law incorporated therewith or substituted therefore;



Family Relationship within Second Degree of Kinship	in respect of a person, means another person who is related to the first person either by blood or by marriage of a member of the family and within the second degree to include the parents, siblings, grandparents, children and grandchildren of the person as well as spouse's parents, siblings and grandparents;
Emerging Market	the emerging market board of the GTSM in the R.O.C.;
Financial Statements	has the meaning set out in Article 95;
GTSM	the GreTai Securities Market in the R.O.C.;
Independent Directors	those Directors appointed as "Independent Directors" pursuant to the requirements of the Applicable Listing Rules;
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 (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 of Association 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;
Lease Contract	A contract or arrangement between the Company and any other person(s) pursuant to which such person(s) lease or rent from the Company the necessary means and assets to operate a material or substantial part of the business of the Company in the name of such person and for the benefits of such person, and as consideration, the Company receives



pre-determined compensation from such person;

Management Contract	A contract or arrangement between the Company and any other person(s) pursuant to which such person(s) manage and operate the business of the Company in the name of the Company and for the benefits of the Company, and as consideration, such person(s) receive a pre-determined compensation while the Company continues to be entitled to the profits (or losses) of such business;
Member or Shareholder	a Person who is duly registered as the holder of any Share or Shares in the Register and includes each subscriber to the Memorandum of Association pending entry in the Register of such subscriber and “Members” or “Shareholders” means 2 or more of them;
Memorandum of Association	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 company as the surviving company within the meaning of the Law and the Applicable Listing Rules;
Merger and Acquisition	include Merger, Consolidation, Acquisition, and Spin-off of a company. Acquisition means that a company acquires shares, business or assets of another company in exchange for shares, cash or other assets in accordance with, as applicable, the Law and/or the Business Mergers And Acquisitions Act, the Company Act, the Securities and Exchange Act, the Financial Institutions Merger Act or the Financial Holding Company Act of the R.O.C.
Month	a calendar month;
TWD	New Taiwan Dollars;



Ordinary Resolution	<p>a resolution:-</p> <p>(a) passed by a simple majority of such Members as, being entitled to do so, vote in person or, in the case of any Members being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy, present at a general meeting of the Company held in accordance with these Articles; and</p> <p>(b) at any time other than during the Relevant Period, approved in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations 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 resolution so adopted shall be the date on which the instrument is executed;</p>
Joint Operation Contract	<p>A contract between the Company and one or more person(s) or entit(ies) where the parties to the contract agree to pursue the same business venture and jointly bear losses and enjoy profits arising out of such business venture in accordance with the terms of such contract;</p>
Person	<p>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;</p>
Preferred Shares	<p>has the meaning given thereto in Article 4;</p>
Private Placement	<p>an offer by the Company of its securities to specific persons pursuant to the Applicable Listing Rules;</p>
Register	<p>the register of Members of the Company to be maintained</p>



	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 listed on the Emerging Market, the GTSM, 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 listed (and so that if at any time 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 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	the common seal of the Company;
Secretary	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	a 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;
Share Premium Account	the share premium account of the Company established in accordance with these Articles and the Law;



Share Swap	any arrangement which has the effect of a company transferring all its issued shares to another company in exchange for shares, cash or other assets in that company as the consideration for shareholders transferring its shares held in the first mentioned company.
Shareholders' Service Agent	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 88;
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 such Members as, being entitled to do so, vote in person or, in the case of any Members being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy, present at a general meeting of the Company held in accordance with these Articles, of which notice, specifying (without prejudice to the power contained in these Articles to amend the same) the intention to propose the resolution as 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</p>



receive notice of and to attend and vote at general meetings (or being corporations 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 the special resolution so adopted shall be the date on which the instrument is executed.

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;

Spin-off

an act wherein a transferor company transfers all of its independently operated business or any single independently operated business to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to issue new shares to the transferor company or to shareholders of the transferor company;

Statutory Reserve

has the meaning set out in Article 87;

Subordinate Company

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

TDCC

the Taiwan Depository & Clearing Corporation;

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 the Applicable Listing Rules; 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 the Law and these Articles, 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 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 Applicable Listing Rules; and, for such purposes, the Board may reserve an appropriate number of Shares for the time being unissued.



4. The Company, subject to the Memorandum of Association and these Articles including by approval of a Special Resolution adopted at a general meeting in accordance with Article 5, 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. Prior to the issuance of any Preferred Shares approved pursuant to the preceding Article, these Articles shall be amended to set forth the rights and obligations of the Preferred Shares, including but not limited to the following terms, and the same shall apply to any variation of rights of Preferred Shares:
 - (a) the total number of Preferred Shares that have been authorized to be issued and the numbers of the Preferred Shares already issued;
 - (b) the order, fixed amount or fixed ratio of allocation of dividends and bonus on Preferred Shares;
 - (c) the order, fixed amount or fixed ratio of allocation of surplus assets of the Company;
 - (d) the order of or restriction on the voting right(s) (including declaring no voting rights whatsoever) of Members of such Preferred Shares;
 - (e) other matters concerning rights and obligations incidental to Preferred Shares; and
 - (f) the conditions and method by which the Company is authorized or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply.
6. 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. The Company shall not issue any unpaid Shares or partial paid-up Shares.
- 6-1. Where the subscriber delays payment for shares, the Company shall stipulate a period of one (1) month or more and request the subscriber to pay up within the prescribed period. In case the subscriber fails to pay within the prescribed period, his subscription right shall be forfeited, and the shares subscribed by him may be otherwise offered for subscription by the Company.
7. (1) The Company may issue Shares without printing share certificates. Any share certificate of the Company, if any, shall not be the bearer certificate. During the Relevant Period, the Company shall not issue share certificates and the share



certificates existing prior to the Relevant Period shall be cancelled, provided that the Register shall be conclusive evidence of the entitlement of a Person to Shares recorded against his name.

- (2) During the Relevant Period, the Company shall deliver, or shall cause its Shareholders' Service Agent to deliver Shares by book-entry transfer to the subscribers within thirty (30) days from the date such Shares were agreed to be purchased. The Company shall make a public announcement in accordance with Applicable Listing Rules prior to the delivery of such Shares.
 - (3) During the Relevant Period, any transfer in respect of shares of the Company which are traded or listed on any Taiwan stock exchange or securities market may be evidenced and transferred in accordance with the laws applicable to and the rules and regulations of the relevant approved stock exchange that are or shall be applicable to such shares of the Company which are traded or listed on such an approved stock exchange.
 - (4) The Company choosing to issue no par value Shares shall not convert its shares into par value Shares.
8. During the Relevant Period:
- (1) upon each issuance of new Shares, the Board may reserve ten percent (10%) to fifteen percent (15%) of the new Shares for subscription by the employees of the Company and/or its Subordinate Companies, as determined by the Board in its reasonable discretion; and
 - (2) where the Company issues new Shares for cash consideration, the Company shall allocate ten percent (10%) (or such greater percentage as may be determined by an Ordinary Resolution) 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 GTSM and/or the TWSE (where applicable) considers such public offering unnecessary or inappropriate.
9. During the Relevant Period, subject to an Ordinary Resolution, upon each issuance of new Shares, the Company shall, after reserving the portion of Shares for subscription by the employees of the Company and/or its Subordinate Companies 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 the Member fails to confirm his subscription within the prescribed period his



subscription right shall be forfeited, for their subscription in proportion to the number of Shares held by 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 the 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 of the Company and/or its Subordinate Companies;
- (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,
- (f) in connection with any Private Placement conducted pursuant to Article 11-2, 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. 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 of the Company and/or its Subordinate Companies whereby the 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 employee a share subscription warrant.



- Such issued share subscription warrant shall be non-assignable, except for transfer by inheritance or intestacy.
- 11-1. The Company may, with the authority of a Special Resolution, issue Shares to employees of the Company and/or its Subordinate Companies subject to such restrictions and conditions as approved by a Special Resolution. In respect of the issuance of shares to employees in the preceding paragraph, 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.
- 11-2. 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 (if any), officers and managers of the Company or its affiliated enterprises
12. 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.
13. 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), capitalisation 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

14. Whenever the share capital of the Company is divided into different Classes of shares, including where Preferred Shares are issued, subject to Article 38 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.

15. 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, *inter alia*, 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

16. (1) 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 Shareholders' Service Agent's office in the R.O.C.
- (2) Notwithstanding anything contained in these Articles and subject to the Law, during the Relevant Period, a branch register of members shall be maintained by TDCC in respect of Shares which are held through TDCC. Such branch register of members shall be maintained in accordance with the Law and the Company shall recognize each person identified in such branch register of members as a Member and such branch register of members shall form part of the Register.

REDEMPTION AND REPURCHASE OF SHARES

17. During the Relevant Period, any redeemable Preferred Share may only be redeemed out of surplus profits or proceeds from newly issued Shares as authorised by 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.
18. (1) Subject to the Law, the Applicable Listing Rules and other provision of this Article, upon the approval of a majority of the Board present at a Board meeting attended by two-thirds or more of Directors, the Company may purchase its own Shares (including any redeemable Shares), either for cancellation or to be held as Treasury Shares, upon such terms and in such manner and subject to such conditions as the Board thinks fit, PROVIDED ALWAYS that such purchase is effected in accordance with the provisions of the Law and the Applicable Listing Rules. During



the Relevant Period, except repurchases of Shares carried out pursuant to Article 18-1(1), 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 that any proposed repurchase and cancellation of shares on a pro rata basis among all the Members is subject to approval by Special Resolution in accordance with Article 18-1(1). The resolutions of Board of Directors in the preceding paragraph and how such resolutions are implemented shall be reported to the Shareholders at the next general meeting. If the Company fails to accomplish the repurchase of its outstanding Shares listed on the GTSM or TWSE as approved and anticipated by the resolutions of the Board of Directors, it shall be reported to the Shareholders at the next general meeting.

- (2) Subject to the Law, where the Company holds Treasury Shares, the Company may cancel any or all of the Treasury Shares, or transfer any or all of the Treasury Shares to the employees of the Company and/or any of its Subsidiary Companies, on such terms and in such manner and such qualifications of the employees as determined by the Board, subject to Paragraph (3) of this Article. If repurchased Shares are held as Treasury Shares for the purpose of transfer to employees, the Company may impose transfer restrictions to prohibit employees from transferring such Shares during certain period with a maximum of two (2) years from the date that such Treasury Shares are transferred to the employees.
- (3) Subject to Paragraph (4) of this Article, the Company may, by way of a Special Resolution passed at the immediate preceding general meeting of the Company, transfer the Treasury Shares to the employees of the Company and/or any of its Subsidiary Companies 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 of the Company and/or any of its Subsidiary Companies to whom the Treasury Shares are transferred and the



amount of Treasury Shares for which such employees may subscribe pursuant to the Discount Transfer; and

- (d) matters that may affect Shareholders' rights:
 - (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.
 - (4) The total aggregate amount of the Treasury Shares that are transferred to the employees of the Company and/or any of its Subordinate Companies pursuant to the Discount Transfer in accordance with Paragraph (3) of this Article shall not exceed five percent (5%) of the total number of issued and outstanding Shares of the Company, and the aggregate amount of the Treasury Shares transferred to each employee shall not exceed point five percent (0.5%) of the total number of issued and outstanding Shares of the Company.
 - (5) Subject to the Law and the Applicable Listing Rules, the Company shall not be entitled to exercise the rights of a Shareholder in respect of any Treasury Shares.
- 18-1. (1) The Company may carry out a repurchase 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 repurchase price payable to the Shareholders in connection with a repurchase of Shares described in the preceding paragraph may be paid in cash or in kind. Any repurchase price to be paid in kind shall be subject to approval by a Special Resolution and shall be subject to individual consent by the Shareholder receiving such payment in kind. Prior to convening the general meeting for approving such repurchase of Shares, the Board of Directors shall determine the monetary equivalent value of any repurchase 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 repurchase and cancellation of shares is not on a pro rata basis, the Board is empowered to authorize and carry out such repurchase without approval by Special Resolution in accordance with Article 18(1).



19. Any Shares redeemed in accordance with Article 17, and any Shares purchased for cancellation in accordance with Paragraph (1) of Article 18, shall be treated as cancelled immediately on redemption or purchase, as the case may be.

TRANSFER AND TRANSMISSION OF SHARES

20. Subject to the Law and Applicable Listing Rules, Shares issued by the Company shall be freely transferable, provided that any Share subscribed by the employees of the Company and/or any of its Subordinate Companies may be subject to transfer restrictions for the period no longer than two years as the Board may determine in its discretion.
21. The Company shall not be obligated to recognize any transfer or assignment of Shares unless the name/title and residence/domicile of the transferor and transferee have been recorded in the Register. The registration of transfers shall be suspended when the Register is closed in accordance with Article 22.

CLOSING REGISTER OR FIXING RECORD DATE

22. (1) The Board may fix in advance the record date(s) for (a) determining the Members entitled to receive any dividend, bonus issue or other distribution; (b) determining the Members entitled to receive notices of, attend or vote at any general meeting or any adjournment thereof in person, by proxy or by way of electronic transmission (in which case there is a deemed appointment of proxy as stipulated in Article 46); and (c) any other purposes as determined by the Board.

In the event the Directors designate 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, 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 abovementioned period, the respective convening date of the general meeting or the relevant target date shall be included.

GENERAL MEETINGS

23. The Company shall in each year hold a general meeting as its annual general meeting within six (6) months after close of each financial year or such other period as may be



permitted by the GTSM or TWSE (where applicable). The annual general meeting shall be convened by the Board.

24. 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.
25. During the Relevant Period, all general meetings shall be held in the R.O.C.. Any general meeting held outside the R.O.C. territory shall be approved by the TWSE within two (2) days after the resolution determined by the Board or the approval of the competent authorities obtained by the Shareholders to convene a general meeting.
26.
 - (1) Any one or more Member(s) holding at least three percent (3%) of the issued and outstanding Shares of the Company for a period of one (1) year or a longer time 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.
 - (2) Any one or more Member(s) continuously holding a majority of the issued and outstanding Shares of the Company for a period of three (3) months or a longer time may convene an extraordinary general meeting. The calculation of the holding period and holding number of Shares shall be based on the holding at the time of Share transfer suspension date.
27. During the Relevant Period, the Company shall engage a Shareholders' 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

28. At any time other than during the Relevant Period, at least seven (7) days notice in writing prior to the scheduled date of any annual general meetings and five (5) days notice in writing prior to the scheduled date of any extraordinary general meeting shall be given to each Member. During the Relevant Period, at least thirty (30) days notice in writing prior to the scheduled date of any annual general meetings and fifteen (15) days notice in writing prior to the scheduled date of any extraordinary general meeting shall be given 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 specify the place,



the day and the time of meeting and the agenda and the proposals to be resolved at the general meeting. The notice for a general meeting may be given by means of electronic communication if the Company obtains prior consent from the Members or as permitted by the Law and the Applicable Listing Rules.

- 28-1. 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.

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 45, 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.

29. For the purpose of these Articles, the following matters shall be regarded as special business and be specified in the notice of general meeting with the description of their major contents, and shall not be proposed as ad hoc motions; the major contents may be posted on a website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice:

- (a) election or discharge of Directors;
- (b) amendments to the Memorandum of Association and/or these Articles;
- (c) winding-up, Merger/Consolidation or Spin-off of the Company;
- (d) entering into, amendment to, or termination of any contract for Lease Contract, Management Contract or Joint Operation Contract;
- (e) the transfer of the whole or any material part of its business or assets;
- (f) taking over another's whole business or assets, which will have a material effect on the business operation of the Company;
- (g) carrying out a Private Placement of any equity-type securities;
- (h) granting a waiver to the Director's non-competition obligation;
- (i) distributing part or all of its dividends or bonus by way of issuance of new Shares;
- (j) capitalisation or distribution of the Statutory Reserve of the Company, the Share Premium Account of the Company and/or the Capital Reserve from endowments received by of the Company by issuing new Shares or paying in cash to its existing Member in proportion to the number of Shares being held by each of them;
- (k) reduction of capital; and



- (l) application for the approval of ceasing its status as a public company.
30. 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, the GTSM or 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.

PROCEEDINGS AT GENERAL MEETINGS

31. 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, the 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.
32. (1) 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 or by way of electronic transmission for resolution at an annual general meeting; provided that only one matter shall be allowed in a single proposal, and the number of words therein contained shall not be more than three hundred (300), or otherwise such proposal shall not be included in the agenda. A Member's proposal submitted for urging the Company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at the annual general meeting by the Board.
- (2) 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) except for the following:



- (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 and outstanding 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 is submitted after the expiration of the specified period announced by the Company for submitting proposals; or
 - (d) the proposal contains more than 300 words or more than one matters in a single proposal.
- (5) The Company shall, prior to the despatch 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.
33. 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.
34. 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.
35. A general meeting may be adjourned 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.
36. At any general meeting, a resolution put to the vote of the meeting shall be decided on a poll.
37. Unless otherwise expressly required by the Law, the Applicable Listing Rules or these Articles, any matter proposed for approval by the Members at general meeting shall be passed by an Ordinary Resolution.



38. Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution:
- (a) enter into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
 - (b) transfer the whole or any material part of its business or assets;
 - (c) acquire the whole business or assets of other(s), which will have a material effect on the business operation of the Company;
 - (d) distribute part or all of its dividends or bonus by way of issuance of new Shares;
 - (e) effect any Spin-off of the Company's business, Consolidation and/or Merger;
 - (f) be voluntary wound up;
 - (g) carry out a Private Placement;
 - (h) grant a waiver to the Directors' non-competition obligation, or approve a Director to engage in activities in competition with the Company;
 - (i) change its name;
 - (j) change the currency denomination of its share capital;
 - (k) 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;
 - (l) consolidate and divide all or any of its share capital into Shares of a larger par value than its existing Shares;
 - (m) subdivide its existing Shares, or any of them, into Shares of a smaller par value than is fixed by the Memorandum of Association;
 - (n) 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;
 - (o) subject to these Articles (including without limitation Articles 14 and 15), alter or amend the Memorandum of Association or these Articles, in whole or in part;
 - (p) reduce its share capital and any fund of the capital redemption reserve in any manner authorised by the Law and the Applicable Listing Rules;
 - (q) appoint an inspector to examine the affairs of the Company under the Law;
 - (r) issue new Shares to employees of the Company and/or its Subordinate Companies subject to any restrictions and conditions;
 - (s) subject to these Articles (including without limitation Articles 99), capitalisation or distribution of the Statutory Reserve of the Company, the Share Premium Account of the Company and/or the Capital Reserve from endowments received by of the



Company by issuing new Shares or paying in cash to its existing Member in proportion to the number of Shares being held by each of them; and

- (t) Share Swap.
39. (1) In the event any of the resolutions with respect to the matter(s) as set out in Paragraphs (a), (b) or (c) of Article 38 is adopted at a general meeting, a Member who has notified the Company in writing of his objection to such proposal prior to that meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair price; provided, however, that no Member shall have the abovementioned appraisal right if the resolution to be adopted is in relation to the matter(s) set out in Paragraph (b) of Article 38 and at the same meeting the resolution for the winding up of the Company is also adopted.
- (2) In the event any part of the Company's business is involved in any Spin-Off, Merger/Consolidation, Acquisition, or Share Swap, a Member, who has abstained from voting 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 in accordance with the Law.
- (3) Without prejudice to the Law and the rights available to a dissenter under the Law, a Member who makes a request pursuant to Paragraphs (1) or (2) of this Article shall submit the request in writing within twenty (20) days following the date of the resolution, and specify the purchase price. If the Member and the Company reach an agreement on the purchase price, the Company shall pay for the shares within ninety (90) days following the date of the resolution. In case no agreement is reached, the Company shall pay the then fair price it has recognized in accordance with the Law to the dissenting Member within ninety (90) days following the date of the resolution. In the event the Company fails to pay for the shares, the Company shall be deemed to be agreeable to the purchase price requested by the Member.
- (4) 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 Company shall, within thirty (30) days after such sixty (60) day period, file a petition to Taiwan Taipei District Court against all the dissenting Members for a ruling on the appraisal price.
40. 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, within thirty (30) days from the date of the resolution, submit a petition to Taiwan Taipei District Court or a competent court in Cayman Islands, as applicable, for an appropriate remedy, including but not limited to, requesting the court to invalidate and cancel the resolution adopted therein.

VOTES OF MEMBERS

41. 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 who is 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.
42. In the case of joint Members, the joint Members shall select a representative among them to exercise their voting powers.
- 42-1. (1) If a Shareholder of the Company holds shares for others, such Shareholder may exercise his/her voting power separately.
(2) The qualifications, scope of application, methods of exercise, operating procedures and other matters for compliance with respect to separately exercising voting power in the preceding Paragraph shall be in compliance with the Applicable Listing Rules.
43. 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.
44. (1) No vote may be exercised with respect to any of the following Shares:
 - (a) the Shares held by the Company itself (if such holding is permitted by the Law and these Articles);
 - (b) the Shares held by any Subordinate Companies, of which a majority of the total issued and outstanding shares or the total amount of capital stock with voting rights are held by the Company; or
 - (c) the Shares held by other companies, of which a majority of the total issued and outstanding shares or the total amount of the capital stock with voting rights are, either directly or indirectly, held by the Company and its holding/Subordinate Companies.



- (2) Subject to the Law and these Articles, the Shares held by any Member who has no voting rights shall not be counted in the total number of the issued and outstanding Shares with voting rights while adopting a resolution at a general meeting.
 - (3) 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.
 - (4) 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 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 appointment as Director, and such Shares shall not be counted toward the number of votes represented by the Shareholders present at a general meeting nor quorum at such general meeting.
45. To the extent permitted by the Law, votes may be exercised in writing or by way of electronic transmission as the Board thinks fit, subject to the Applicable Listing Rules, provided that electronic transmission shall be provided as one of the ways for the Members to exercise their voting powers if the Company meets the Scope Applying for Electronic Transmission to Companies prescribed by the Commission. If a written instrument or electronic transmission for voting is proposed or required to be used, the relevant methods and procedures shall be specified in the notice of that meeting.
46. A Member who exercises his votes in writing or by way of electronic transmission in accordance with these Articles shall be counted towards the quorum. For the avoidance of doubt, those Members voted in writing or by way of electronic transmission shall, for purposes of these Articles and the Law, be deemed to have appointed the chairman of the general meeting as their proxy to vote their shares at the general meeting in the manner directed by the written instrument or electronic document; provided, however, that such appointment shall not be treated as an appointment of any proxy as defined under the Applicable Listing Rules. The chairman 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 and/or any amendment to resolution(s) proposed at the general meeting, and the Members 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.

47. (1) A Shareholder shall submit his or her vote by way of written ballot or electronic transmission pursuant to Article 45 to the Company at least two (2) days prior to the scheduled meeting date of the general meeting; whereas if two (2) or more such written ballot or electronic transmission are submitted to the Company, the proxy deemed to be given to the chairman of the general meeting pursuant to Article 46 by the first written ballot or transmission shall prevail unless it is expressly stated in the subsequent vote by written ballot or electronic transmission that the original vote submitted by written ballot or electronic transmission be revoked.
- (2) Subject to Article 53, in case a Member who has casted his votes in writing or by way of electronic transmission (the “**Prior Instruction**”) intends to attend the general meeting in person, he shall, at least two (2) days prior to the meeting date, revoke his previous votes by serving a separate notice (the “**Revocation Notice**”) in the same manner as such Member casted his votes; otherwise, subject to the laws of the Cayman Islands, the deemed appointment by the Member of the chairman as proxy shall remain valid. Under the laws of the Cayman Island, if a Member fails to serve a Revocation Notice in the aforesaid manner and attends the general meeting in person, unless the Prior Instruction is rendered irrevocable on the basis that such Prior Instruction was coupled with an interest or for other reasons under the laws of the Cayman Island, such Member shall still be entitled to vote in person and the deemed appointment by the Member of the chairman as proxy shall be deemed revoked.
48. [*Intentionally left blank*]
49. The proceedings regarding the general meeting and the voting in the general meeting not covered by these Articles shall be governed by the internal rules of the Company to the extent that they do not conflict with these Articles, 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.
50. Where the Company has only one Shareholder, a resolution in writing signed by such Shareholder in accordance with these Articles shall be as valid and effective as if the same had been passed at a general meeting of the Company duly called and constituted.



PROXY

51. A Member may appoint a proxy to attend a general meeting on his behalf by executing a proxy form prepared by the Company stating therein the scope of power authorized to the proxy. A proxy need not be a Member.
52. A Member may only appoint one proxy for each general meeting and shall serve an executed proxy in compliance with the preceding Article to the Company or its designated Shareholders' Service Agent as the case may be no later than five (5) days prior to the relevant meeting date. 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 relevant meeting date.
53. In case a Member who has served a proxy (the "**Prior Instruction**") intends to attend the relevant general meeting in person, a proxy revocation notice (the "**Revocation Notice**") shall be made to the Company or Shareholders' Service Agent at least two (2) days prior to the scheduled date of the general meeting; otherwise, subject to the laws of the Cayman Islands, the votes cast by the appointed or deemed appointed proxy at the meeting shall prevail. Under the laws of the Cayman Islands, if a Member fails to serve a Revocation Notice in the aforesaid manner and attends the general meeting in person, unless the Prior Instruction is rendered irrevocable on the basis that such Prior Instruction was coupled with an interest or for other reasons under the laws of the Cayman Island, such Member shall still be entitled to vote in person and the appointed proxy shall be deemed revoked.
54. A Member who is deemed to have appointed the chairman as proxy pursuant to Article 46 for purposes of casting his vote by written instrument approved by the Board or by way of electronic transmission shall have the right to appoint another person as its proxy to attend the meeting, in which case the express appointment of another proxy shall be deemed to have revoked the deemed appointment of the chairman as proxy under Article 46 and the Company shall only count the vote(s) casted by such expressly appointed proxy at the meeting.
55. The proxy form prepared by the Company shall be expressed to be for a particular general meeting only and shall include the following: (a) instructions on how to fill in and complete such proxy form, (b) the matters to be voted upon pursuant to such proxy, and (c) basic identification information of the Member as appointor, the proxy, and proxy solicitor (if any). To the extent permitted by the Law, the proxy form prepared to be used



for a particular general meeting shall be sent out together with the notice of that general meeting, either in writing through post or by electronic transmission, as the case maybe, to all Members on the same day.

56. Except for trust enterprises or shareholders' service agencies duly licensed under the R.O.C. competent authorities, save with respect to the chairman being deemed appointed as proxy under Article 46, where a Person acts as a proxy for two or more Members, the number of Shares with voting rights that the proxy may vote in respect thereof represented by him shall not exceed three percent (3%) of the total number of issued and outstanding Shares with voting rights of the Company; otherwise, such number of Shares with voting rights 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 Shares with voting rights present at the relevant meeting but shall be included in the quorum. Upon such exclusion, the number of Shares with voting rights 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 Shares with voting rights being excluded and the number of Shares with voting rights that such Members have appointed the proxy to vote for.
57. The use and solicitation of proxies shall be subject to, the Law and the Applicable Listing Rules (in particular, the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies of the R.O.C.).

DIRECTORS AND THE BOARD

58. (1) The number of Directors shall be a minimum of five (5). 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 duties of a director. Any natural person designated as an authorized representative by such Juristic Person may be replaced by another natural person to be authorized by the Juristic Person from time to time so as to fulfil the remaining term of the office of the predecessor.
- (3) The Board shall be elected or appointed by Members upon a poll vote by way of cumulative voting (the manner of voting described in this Article to be referred to as "Cumulative Voting") in the following manner:-



- (i) on an election of directors, the numbers of votes attached to each voting share held by a Member shall be cumulative and correspond to the number of directors nominated for appointment at the general meeting provided that such votes shall only cumulate in respect of such number of directors nominated within the same category (namely, independent or non-independent) of directors to be appointed;
 - (ii) the Member(s) may vote all or part of their cumulated votes in respect of one or more directors within the same category of directors to be elected;
 - (iii) such number of directors receiving the highest number of votes in the same category of directors to be elected shall be appointed; and
where two or more directors nominated for appointment receive the same number of votes which exceeds the number of new directors intended to be appointed, there shall be a draw by the such directors receiving the same number of votes to determine who shall be appointed; the chairman shall draw for a director nominated for appointment who is not present at the general meeting.
- (4) The proceedings and the voting regarding the election of Directors not covered by these Articles shall be governed by the Methods of Election of Directors of the Company and the internal rules of the Company, as adopted and amended by an Ordinary Resolution of the Members from time to time to the extent that they do not conflict with these Articles and subject to compliance with the Law and the Applicable Listing Rules.
59. The Company may, whenever it thinks fit, adopt and apply a candidate nomination mechanism for election of all the Directors. Subject to the Applicable Listing Rules, the Board may establish detailed rules and procedures for such candidate nomination. For election of Directors and Independent Directors among the Directors, the Company shall adopt and apply a candidate nomination mechanism in compliance with the Applicable Listing Rules and the shareholders shall elect the directors from among the nominees listed in the roster of Directors and Independent Directors candidates.
60. The term for which a Director will hold office shall be three (3) years; thereafter he may be eligible for re-election. In case no election of new Directors is effected after expiration of the term of office of the existing Directors, the term of office of such Directors shall be extended until the time new Directors are elected and assume their office.
61. (1) Notwithstanding the preceding Article, a Director may be removed at any time by a Special Resolution adopted at a general meeting.



- (2) Without prejudice to other provisions of these Articles, the Company may by an Ordinary Resolution put all Directors for re-election before the expiration of the term of office of such Directors. In this event, 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 retired on the date of such resolution, subject to the successful election of the new Directors at the same meeting.
62. The Board shall have a chairman (the “**Chairman**”) elected and appointed in term by a majority of the Directors present at a meeting of the Board 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 meeting of the Board 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.
63. A Director shall not be required to hold any Shares in the Company; further, in order to improve corporate governess, the Company may, with the approval of a majority of the Directors present at a meeting attended by one-second or more of the total number of the Directors, purchase and maintain liability insurance for the benefit of all Directors, officers, and the directors, supervisors, or legal representatives of any Subordinate Company appointed by the Company against their liabilities resulting from acting in their capabilities as Directors, officers, or the other appointed positions during the term of office.
64. The remuneration of a Director may differ from other Directors, and shall be determined, regardless of the Company profits or losses of respective years, based on (a) the extent of a Director's involvement with the business operations of the Company, (b) the contribution of a Director to the Company, (c) the prevailing industry standard, (d) recommendation by the remuneration committee and (e) such other relevant factors.
65. When the number of Directors falls below five (5) due to a Director vacating his office for any reason, the Company shall hold an election for 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 vacancy.



INDEPENDENT DIRECTORS

66. 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 be domiciled in the R.O.C. (such domicile 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.
67. 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

68. 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.
69. 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.



- 69-1. (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 duty of care, 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 case a Director breaches any of its fiduciary duties and acts for his or other Person's interest, the Company may, with the sanction of an Ordinary Resolution, require the disgorgement of any and all earnings derived from such act.
- (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 officer(s) of the Company, who are authorised to act on its behalf in a senior management capacity, when carrying out the duties of their positions.
70. 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.

DISQUALIFICATION AND DISCHARGE OF DIRECTORS

71. The office of Director shall be vacated, if such Director:
- (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 he has served the full term of the sentence, or on probation or after remission of punishment is less than five (5) years;
- (b) has been convicted of fraud, breach of trust or misappropriation with imprisonment for a term of more than one (1) year, and has not started serving the sentence, has not completed serving the sentence, or the time elapsed after he has served the full term of such sentence, or on probation or after remission of punishment is less than two (2) years;



- (c) commits the offense as specified in the Anti-corruption Act and has been convicted thereof, and has not started serving the sentence, has not completed serving the sentence, or the time elapsed after he has served the full term of such sentence, or on probation or after remission of punishment is less than two (2) years;
- (d) becomes bankrupt or has been adjudicated of the commencement of winding up process by a court under the laws of any jurisdiction and has not been reinstated to his rights and privileges;
- (e) has allowed cheques and other negotiable instruments drawn by such Director to be dishonoured and the records thereof have not been cancelled or expunged by the relevant regulatory authorities;
- (f) lacks all or part of legal capacity on the basis that such Director is under twenty years of age (except where such Director is legally married);
- (g) dies or is found to be or becomes of unsound mind;
- (h) 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 or Applicable Listing Rules;
- (i) ceases to be a Director by virtue of Article 72;
- (j) resigns his office by notice in writing to the Company;
- (k) is removed from office pursuant to these Articles;
- (l) has been ordered to be discharged 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;
- (m) has transferred, during the term of office as a director, more than one half of the Company's shares being held by such Director at the time such Director is elected, and the vacation becomes effective from the date such Director has transferred more than one half of the Company's shares being held by such Director at the time such Director is elected;
- (n) has transferred, after having been elected but before his/her appointment becomes effective, more than one half of the Company's shares being held by such Director at the time of his/her election as such; or has transferred more than one half of the total number of shares such Director held within the share transfer prohibition period fixed prior to the date of the shareholders' meeting convened to approve his/her appointment, then his/her appointment as a director shall not take effect; or



- (o) has been adjudicated of the commencement of assistantship and such assistantship having not been revoked yet.
72. A spousal relationship and/or a Family Relationship within the Second Degree of Kinship may not exist among more than half (1/2) of the members of the Board (the “Threshold”), unless with prior approval by the Commission, the GTSM or the TWSE (where applicable). Where the appointment of any person having a spousal relationship and/or a Family Relationship within the Second Degree of Kinship with any existing member of the Board or with any other person(s) also nominated for appointment as a director (the “Related Person”) is proposed at a general meeting, only the following persons may be appointed as a Director:
- (i) firstly, such person(s) approved by the Members by way of Cumulative Voting and who is not a Related Person; and
 - (ii) secondly, such number of Related Person(s) elected by the Members by way of Cumulative Voting and who receive the highest number of votes from the Members for its appointment among all the Related Persons the appointment of whom would not result in contravention of the Threshold. If the existing composition of the Board fails to satisfy the Threshold, such Director in office being a Related Person shall immediately cease to be a Director of the Company.
73. In case a Director has, in the course of performing his duties, committed any act resulting in material damages to the Company or in serious violation of the Law or these Articles, but has not been discharged 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 court having proper jurisdiction, including the Taipei District Court of the R.O.C., if and to the extent permitted under the Law, for removing the Director.
- 73-1. Subject to the Law, one or more Members holding one percent (1%) or more of the total number of the outstanding Shares continuously for a period of more than six(6) months may request in writing any Independent Director who is a member of 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 ROC Taipei District Court, and for the avoidance of doubt, any one Independent Director is authorised to act in such manner, notwithstanding that there is no Board meeting or resolution in writing signed by all of the Directors expressly approving the same. In case such Independent Director who is a member of Audit Committee fails to



file such action within thirty (30) days after receipt of such request, subject to the applicable laws, the Members making such request may file the action for the Company.

- 73-2. Subject to the condition that the Board does not or is unable to convene a general meeting, the Independent Director who is a member of the Audit Committee may, for the benefit of the company, call a general meeting if necessary.

PROCEEDINGS OF THE BOARD

74. During the Relevant Period, for the despatch of business, the Directors shall convene and hold a meeting of the Board (either within or outside the Cayman Islands) at least once each quarter.
75. At least seven days notice in writing shall be given to every Director which notice shall set forth the general nature of the business to be considered at a meeting of Board, provided however in the case of emergency, a meeting of the Board may be convened on short notice if the quorum required under Article 78 is present. Such notice may be given to any Director either personally, or by facsimile or electronic communication, or by sending it through the post. Copies of minutes of such meeting shall be provided to all Directors after the Board meeting.
76. A Director may participate in a meeting of Board, or of any committee established in accordance with Article 84 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.
77. 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. However, no Director may act as proxy for two (2) or more other Directors.
78. Unless otherwise provided by the Law, the Applicable Listing Rules and in these Articles, any matter proposed for consideration and approval at a meeting of Board shall be decided by a resolution passed by a majority of votes cast by the Directors, being entitled so to do, voting in person or, where proxies are allowed, by proxy at such meeting attended by more than one-half of all the Directors as the quorum. 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.



79. 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 important components at the relevant meeting. In the Merger and Acquisition by the Company, a Director who has a personal interest in the transaction of the Merger and Acquisition shall explain the essential contents of such personal interest and the reasons why, whether he is allowed to vote or not, he/she supports or does not support the proposed resolution relating to the Merger and Acquisition at the meeting of the Board and the general meeting. Where the spouse, a relative within the second degree of kinship of a Director, or any company which has a controlling or subordinate relation with a Director has interests in the above-mentioned matters under discussion in the meeting, such Director shall be deemed to have 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.
80. Subject to these Articles, a Director other than an Independent Director may hold any other office 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 realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.
81. 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, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
82. Subject to these Articles, the continuing Directors may act notwithstanding any vacancy in their body.
83. The proceedings regarding meetings of the Board not covered by these Articles shall be governed by the internal rules of the Company, as adopted and amended by the Board and reported to a general meeting from time to time to the extent they do not conflict with these Articles and subject to compliance with the Law and the Applicable Listing Rules.



particularly the Regulations Governing Procedure for Board of Directors Meetings of R.O.C. Public Companies.

COMMITTEE

84. Subject to the Law and the Applicable Listing Rules, the Board may establish any committee(s) (including but not limited to an audit committee and a remuneration committee) consisting of one or more Directors and the membership, powers, duties and proceedings regarding such committee(s) shall be governed by the internal rules of the Company, as adopted and amended by the Board.
85. (1) During the Relevant Period, the Company shall establish an Audit Committee.
- (2) In the case of an Audit Committee that has been established by the Company, the Audit Committee shall comprise all the Independent Directors. It shall not be fewer than three Persons in number, one of whom shall be the convenor, and at least one of whom shall have accounting or financial expertise.
- (3) A resolution of the Audit Committee shall be approved by one-half or more of all members of the Audit Committee.
- (4) In the case of an Audit Committee that has been established by the Company, the following matters shall be subject to the approval of one-half or more of all Audit Committee Members and be 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 of or amendment to handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, monetary loans to others, or endorsements or guarantees for others;
 - (d) a matter bearing on the personal interest of a Director;
 - (e) a transaction related to material asset or derivatives;
 - (f) a material monetary loan, endorsement, or provision of guarantee;
 - (g) the offering, issuance, or private placement of any equity-type securities;
 - (h) the engagement or dismissal of an attesting chartered public accountant (external auditor), or the compensation given thereto;



- (i) the appointment or discharge of a financial, accounting, or internal auditing officer; and
 - (j) annual and semi-annual financial reports;
- (5) With the exception of subparagraph (j), any matter under a subparagraph of the preceding paragraph of this Article that has not been approved with the approval of one-half or more of all Audit Committee Members may be undertaken upon the approval of two-thirds or more of all Directors in office, and the resolution of the Audit Committee shall be recorded in the minutes of the meeting of Directors.
- 85-1. (1) Before any resolution of the Merger and Acquisition by the Board, the Audit Committee shall review the fairness and reasonableness of the plan and transaction of the Merger and Acquisition, and then report the review results at the meeting of the Board and the general meeting. However, if the Merger and Acquisition does not require approval by Members of the Company at a general meeting under the Law, such review results are not required to be reported at the general meeting.
- (2) When the Audit Committee reviews the aforesaid matters, it shall seek opinions from an independent expert on the justification of the share swap ratio or distribution of cash or other assets to Members.
- (3) The review results of the Audit Committee and opinions of independent experts shall be delivered to Members together with the notice of the general meeting. If the Merger and Acquisition does not require approval of the Members under the Law, the Board shall submit reports related to the Merger and Acquisition at the next closest general meeting.
- (4) If the Company published the same contents of the documents to be delivered to Members pursuant to Paragraph 3 of this Article on the website designated by the Commission, the GTSM or TWSE (where applicable) and those documents are prepared at the venue of the general meeting for Members' inspection, those documents shall be deemed to have been delivered to Members.
86. During the Relevant Period, the Company shall establish a remuneration committee and the professional qualifications for its members, the exercise of their powers of office, and related matters shall comply with the Law or the Applicable Listing Rules. Remuneration referred to in the preceding sentence shall include salary, stock options, and any other substantive incentive measures for directors and officers.



RESERVE

87. During the Relevant Period, the Company, when allocating its surplus profits after paying all taxes and duties, shall first set aside ten percent (10%) of said profits as statutory reserve (the “**Statutory Reserve**”). Where the Statutory Reserve amounts to the total issued share capital, this Article shall not apply.
88. Subject to the Law and the Applicable Listing Rules, during the Relevant Period, aside from the Statutory Reserve, the Company may, by an Ordinary Resolution, set aside an additional amount of its surplus profits as special reserve (the “**Special Reserve**”) for such purposes as may be approved by the shareholders by way of an Ordinary Resolution.
89. Unless otherwise provided in the Law, the Applicable Listing Rules and these Articles (including Article 99 and Article 100), the Statutory Reserve and the Capital Reserve shall not be used except for offsetting the losses of the Company. The Company shall not use the Capital Reserve to offset its capital losses unless the Special Reserve is insufficient to offset such losses.

DIVIDENDS AND BONUSES

90. Subject to the Law, the Applicable Listing Rules and these Articles, the Company may, by an Ordinary Resolution, declare dividends or bonuses in any currency to be paid to the Members when there is any surplus profit at the end of the financial year; PROVIDED THAT where the aggregate amount of its Statutory Reserve exceeds by fifty percent (50%) of the total issued share capital of the Company, the Company may, by an Ordinary Resolution, distribute any or all of the excess amount from the Statutory Reserve as dividends or bonuses even if there is no surplus profit at the end of the financial year. During the Relevant Period, dividends or bonuses payable to the Members shall only be paid in TWD.
- 90-1. (1) If the Company makes a profit in a financial year, it shall distribute one percent (1%) to five percent (5%) of the profits in that year as employees’ compensation. However, if the Company has accumulated losses, the Company shall first reserve such profits for setting off such losses.
- (2) The employee compensation in the preceding paragraph may be distributed in the form of shares of the Company or in cash. The distribution shall be approved by a majority of the Directors present at a meeting attended by two-third or more of the total number of the Directors in office and then reported to the Shareholders at the next general meeting.



- (3) Where the employee compensation is to be paid in shares of the Company, employees of Subordinate Company who satisfy certain criteria may also be entitled to such shares. The criteria shall be promulgated by the Board.
 - (4) Where any profit shall be distributed to employees in the form of new shares to be issued by the Company pursuant to Article 90-1(2) above, the Board is authorized to apply and capitalize such part of the profits of the Company and issue the said shares of the Company at par.
- 90-2. If the Company makes a profit in a financial year, upon approval by a resolution of a majority of the Directors present at a meeting attended by two-third or more of the total number of the Directors in office, it may distribute up to three percent (3%) of the profits in that year as directors' compensation. However, if the Company has accumulated losses, the Company shall first reserve such profits for setting off such losses.
91. Subject to the preceding Article and the Applicable Listing Rules, if the Company has profits in a financial year, the Company, after paying or reserving all relevant taxes, offsetting losses (including losses of previous years), setting aside the Statutory Reserve (if required) and the Special Reserve (if any), may, by an Ordinary Resolution of the general meeting, declare and distribute any balance left over ("Distributable Surplus") plus any undistributed retained profits from previous years to the Members as dividends and bonuses, provided that the amount distributed is no less than ten percent (10%) of the Distributable Surplus, and no less than ten percent (10%) of such dividends and bonuses allocated to Members shall be paid in cash. Bonuses and dividends may also be declared and paid out of the Share Premium Account or any other fund or account which may be authorised for this purpose in accordance with the Law, the Applicable Listing Rules and these Articles (including Article 99 and Article 100).
92. (1) Where dividends or bonuses are declared in accordance with the preceding Article, the Company, subject to the Law and Applicable Listing Rules, may by a Special Resolution have the whole or a part of the surplus profit distributable as dividends or bonuses paid in the form of new shares for such purpose; provided however any fraction of such newly issued shares shall be paid in cash and to effect the aforesaid, the Board is authorized to apply and capitalize such part of the profits of the Company and issue the said shares of the Company at par.
- (2) No dividend or other distribution or other monies payable by the Company on or in respect of any Share shall bear interest against the Company. All unclaimed dividends or distributions may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. Any dividend or distribution



unclaimed by a Member six years after the dividend or distribution payment date shall be forfeited and revert to the Company.

ACCOUNTS, AUDIT, AND ANNUAL RETURN AND DECLARATION

93. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Board.
94. The books of account shall be kept at the Registered Office or at such other place or places as the Board thinks fit, and shall always be open to the inspection of each Director.
95. At the end of each financial year, the Board shall prepare: (1) the business report; (2) the financial statements which include all the documents and information as required by the Law and the Applicable Listing Rules (the "**Financial Statements**"); and (3) 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, and upon adoption at the annual general meeting, 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 notify any Member(s) by way of public announcement(s) of the abovementioned statements and resolutions.
96. The documents prepared by the Board in accordance with the preceding Article shall be made available at the Shareholders' 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.
97. The Board shall keep copies of the Memorandum of Association, 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 Shareholders' 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 inspect, transcribe or to make copies to make copies of the above documents. The Company shall make its Shareholders' Service Agent to provide with the access.
- 97-1. The Board or other authorized conveners of general meetings may require the Company or its Shareholders' Service Agent to provide with the roster of Shareholders.



98. 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 if so required.

CAPITALISATION OF RESERVE

99. (1) Subject to the Law and Paragraph (2) of this Article, where the Company incurs no loss, it may, by a Special Resolution, capitalise or distribute its Statutory Reserve and the following Capital Reserve: (i) Share Premium Account and (ii) the income from gifts and donations received by the Company, in whole or in part, by issuing new fully paid shares or paying in cash to the Members in proportion to the number of shares held by each of them in accordance with the Law and the Applicable Listing Rules.
- (2) The Statutory Reserve to be capitalized or distributed by issuing new fully paid shares or paying in cash to the Members shall be limited to the part of the Statutory Reserve in excess of twenty-five percent (25%) of the issued share capital of the Company.
100. Subject to the requirements of the Law, the Board may make any arrangements it thinks fit to resolve a difficulty arising in the capitalisation under the preceding Article, including without limitation, Shares distributable in fractions.

TENDER OFFER

101. During the Relevant Period, within fifteen (15) days after the receipt of the copy of a tender offer application form and relevant documents referred to in the Applicable Listing Rules by the Company or its litigation or non-litigation agent appointed pursuant to the Applicable Listing Rules, the Board shall resolve to recommend to the Members whether to accept or object to the tender offer and make a public announcement of the following:
- (a) the types, numbers and amount of the Shares held by the Directors and the Members holding more than ten percent (10%) of the issued and outstanding Shares in its own name or in the name of other Persons;
- (b) the recommendations to the Members on the status of verification of the identity and financial condition of the offeror, fairness of the tender offer conditions, and reasonableness of the sources of the tender offer funds, which shall set forth the



- specific opinions of the Directors who consent 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 submission of the latest financial report and an explanation of the change, if any; and
 - (d) the types, numbers and amount of the Shares of the tender offer or its affiliates held by the Directors and the Members holding more than ten percent (10%) of the issued and outstanding Shares held in its own name or in the name of other Persons.

WINDING UP

102. 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.
103. 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.
104. [*Intentionally left blank*]

NOTICES



105. 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 recognised 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 GTSM or the TWSE (where applicable) 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.
106. 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.
107. Any notice or other document, if served by:
- (a) post, shall be deemed to have been served one (1) day after the time when 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.
108. 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

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



CORPORATE GOVERNANCE

110. (1) During the Relevant Period, the proceedings regarding acquisition and disposal of assets of the Company (including financial derivatives trading), loan of funds and making of endorsement/guarantees shall be governed by the Procedures for Acquisition and Disposal of Assets, the Procedures for Loaning of Funds and for Offering of Endorsements/Guarantees, the internal rules of the Company, as adopted and amended by an Ordinary Resolution to the extent that they do not conflict with these Articles and subject to compliance with the Law and the Applicable Listing Rules.
- (2) During the Relevant Period, the proceedings regarding related party transactions shall be governed by the Regulations Governing Related-Party Transactions, the internal rules of the Company, as adopted and amended by the Board from time to time to the extent that they do not conflict with these Articles and subject to compliance with the Law and the Applicable Listing Rules.
- (3) When conducting its business, the Company shall comply with the laws and regulations as well as business ethics and may take actions which will promote public interests in order to fulfill its social responsibilities.
111. During the Relevant Period, the internal control system will be established by the Board which shall be in compliance with the Law and the relevant Applicable Listing Rules and do not conflict with these Articles.

FINANCIAL YEAR

112. Unless the Board otherwise prescribes, the financial year of the Company shall end on December 31st in each year and shall begin on January 1st in each year.

SEAL

113. The Company shall have one or more Seals, as the Board may determine. No Seal shall be used without the authority of the Board. Subject as otherwise provided in these Articles, any instrument to which a Seal is affixed shall be signed by one Director or the Secretary or by such other person or persons as the Board may appoint, either generally or in any particular case, save that as regards any certificates for shares or debentures or other securities of the Company the Board may by resolution determine that such signatures of



either of them shall be dispensed with or affixed by some method or system of mechanical signature.

THE LAWS OF THE ROC

114. Notwithstanding any provision to the contrary herein, any laws, regulations and rules of any jurisdiction other than the Cayman Islands shall only apply to the maximum extent permissible under the laws of the Cayman Islands and the Law.

LITIGATION OR NON-LITIGATION AGENT IN THE R.O.C.

115. (1) During the Relevant Period, the Company shall appoint its litigation or non-litigation agent under the Securities and Exchange Act of the R.O.C. and such agent will be deemed as its responsible person in the R.O.C. under the Securities and Exchange Act of the R.O.C.
- (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.



Procedures for the Election of Directors

June 2020
Amendment

- Article 1: To ensure a fair, impartial, and open election of directors, these Procedures are established pursuant to Articles 21 and 41 of the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.”
- Article 2: Except as otherwise provided by laws and regulations or the Articles of Incorporation, the election of the directors and Audit Committee members shall be governed by these Procedures.
- Article 3: The overall composition of the Board of Directors shall be taken into consideration for the election of the directors of the Company. The composition of the Board of Directors shall be determined by taking diversity into account and formulating an appropriate diversity policy based on the Company's business operation, business type, and development needs. It is advised that the policy include, without being limited to, the following two general standards:
- I. Basic requirements and values: Gender, age, nationality, culture, et al.
 - II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skills, and industry experience.
- Each member of the Board of Directors shall have the necessary knowledge, skills, and experience to perform their duties, and shall possess the following abilities:
1. Ability to make judgments about operations.
 2. Accounting and financial analysis ability.
 3. Business management ability.
 4. Crisis management ability.
 5. Knowledge of the industry.
 6. An international market perspective.
 7. Leadership ability.
 8. Decision-making ability.
- Among the total number of director seats, there must be a majority free of relationships such as spouses or relatives within the second degree of kinship. The Board of Directors of the Company shall consider adjusting its composition based on the results of performance evaluation.
- Article 4: Audit Committee members of the Company shall meet the following qualifications:
- I. Integrity and a practical attitude.
 - II. Impartial judgment.
 - III. Professional knowledge.
 - IV. Broad experience.
 - V. Ability to read financial statements.
- In addition to the requirements of the preceding paragraph, at least one of the Audit Committee members of the Company shall be a professional in accounting or finance, or at least one of them shall be domiciled in the Republic of China to be able to promptly carry out the supervisory functions.
- Article 5: Independent directors of the Company shall meet one of the following professional qualifications and have work experience more than 5 years:
- I. Lecturer (or above) of commerce, legal, finance, accounting, or any subject relevant to the company's operations in a public or private tertiary institution.

- II. Judge, prosecutor, lawyer, accountant, or any other professional or technical specialist who has passed a national examination and received a certificate necessary for the business of the Company.
- III. Commercial, legal, financial, accounting, or other work experience required to perform the assigned duties.

Article 6: A person to whom any of the following circumstances applies may not serve as an independent director, or if already serving in such capacity, shall ipso facto be dismissed:

- I. Having been convicted of a crime under the Organized Crime Prevention Act and subsequently sentenced by a final judgment, and the time elapsed after serving the full term of the sentence is less than 5 years.
- II. Having committed the offence in terms of fraud, breach of trust or misappropriation and subsequently punished with imprisonment for a term of more than 1 year, and the time elapsed after serving the full term of such sentence is less than 2 years.
- III. Having been convicted for misappropriating public funds during the time of public service, and the time elapsed after serving the full term of such sentence is less than 2 years.
- IV. Having been adjudicated bankrupt, and rights and privileges have not been reinstated.
- V. Having been dishonored for unlawful use of credit instruments, and the term of such sanction has not yet expired.
- VI. Having no legal capacity or having limited legal capacity.
- VII. Elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act.
- VIII. Any violation of the independent director qualification requirements set out in these Regulations.

The election of the Company's independent directors shall be held under a candidate nomination system as specified by the applicable laws and regulations. To review the qualifications and educational backgrounds and work experience of the candidates for independent directors, and whether there is any of the circumstances under paragraph 1 of this Article, no certificates of other qualifications may be added arbitrarily. The results of such review shall be provided to the shareholders for reference in order to elect independent directors who are competent.

Article 7: An independent director of the Company shall remain independent in carrying out business activities without any direct or indirect stake in the Company. During the two years before being elected and during his/her term of office, an independent director of the Company may not be any of the following:

- I. An employee of the Company or any affiliates.
- II. A director or supervisor of the Company or any affiliates, except for an independent director of the Company, its parent or any of its subsidiaries, appointed pursuant to the Act or any local laws and regulations.
- III. A natural-person shareholder who holds shares, together with those held by his/her spouse or minor children or held in the name of another person, in an aggregate number of at least 1% of the total shares issued by the Company or is one of the top-10 shareholders of the Company.
- IV. A spouse, relative within the second degree of kinship or lineal relative within the third degree of kinship, of any manager under subparagraph 1 or any of the persons under the preceding two paragraphs.

- V. V. A director, supervisor, or employee of any corporate shareholder that directly holds at least 5% of the total number of shares issued by the Company, is one of the top-5 shareholders of the Company, or has appointed a representative as a director or supervisor of the Company pursuant to Paragraph 1 or 2, Article 27 of the Company Act.
- VI. A director, supervisor, or employee of any other company where more than half of its directors or voting shares are controlled by the same person.
- VII. A director, supervisor, or employee of any other company or institution where the Chairman, President, or any person holding an equivalent position is the Chairman, President, or the person holding an equivalent position of the Company, or a spouse thereof.
- VIII. A director, supervisor, manager or shareholder holding at least 5% of the shares of any company or institution which has engaged in financial or business dealings with the Company.
- IX. An owner, partner, director, supervisor or manager, or a spouse thereof, of any professional, sole proprietorship, partnership, company, or institution that engages in commercial, legal, financial and accounting and other related services and which has conducted audit for the Company or any of its affiliates or has received a total amount of compensation exceeding NT\$500,000 during the most recent two years, except for any member of any remuneration committee, public purchase review committee or special committee for mergers and acquisitions which performs its duties pursuant to the Act, Business Mergers And Acquisitions Act or other applicable laws and regulations.

Subparagraphs 2 and 5-7 of the preceding paragraph and subparagraph 1 of paragraph 4 do not apply to any person serving concurrently as an independent director of the Company, its parent or subsidiary or any subsidiary of the same parent appointed pursuant to the Act or any local laws and regulations.

The requirement of “during the two years before being elected” under paragraph 1 does not apply where an independent director of the Company has served as an independent director of any company under subparagraph 2 or 8 of paragraph 1, any of the affiliates of the Company, or any company or institution which has engaged in financial or business dealings with the Company, but is no longer in that position.

The term “specified company or institution” as used in Subparagraph 8, Paragraph 1, means a company or institution that has one of the following relationships with the company:

- I. The company holds at least 20% and no more than 50% of the total number of shares issued by the Company.
- II. The company, its directors and supervisors and the shareholders holding more than 10% of its total shares hold, in an aggregate total, of at least 30% of the total number of shares issued by the Company, and there are records of financial or business transactions between it and the Company. The shares held by the aforesaid persons include those held by their spouses and minor children and in the name of other persons.
- III. The company and its group companies are the source of at least 30% of the operating revenue of the Company.
- IV. The company and the affiliates of the Company are the source of at least 50% of the total volume or purchase of the principal raw materials (those accounting for at least 30% of the total purchase, and which are indispensable and essential raw materials in product manufacturing) or principal products (those accounting for at least 30% of the total operating revenue) of the Company.

Any parent, subsidiary, or group of the Company under paragraphs 1 and 2 shall be determined in accordance with the International Financial Reporting Standards (IFRS) 10.

An affiliate under paragraphs 1 and 3 shall mean any affiliated company under Chapter 6-1 of the Company Act or any company required to prepare consolidated financial reports in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises and the International Financial Reporting Standards (IFRS) 10.

Article 8: No independent director of the Company may concurrently serve as an independent director of more than three other publicly listed companies.

Article 9: The election of independent directors of the Company is subject to the provisions of Article 192-1 of the Company Act in that a candidate nomination system shall be adopted, that such system shall be expressly stated in the articles of incorporation of the Company, and that shareholders shall elect independent directors from among the those listed in the slate of independent director candidates.

Article 10: Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce the start of receipt of nominations for candidates of independent directors, the number of independent directors to be elected, the location for receipt of such nominations, and other necessary matters. The time period for receipt of the proposals may not be less than 10 days.

The Company may submit, with any of the methods below, a list of candidates of independent directors. Upon evaluation by the Board of Directors that all the candidates have met the requirements for independent directors, the list shall be submitted to the shareholders meeting for elections:

- I. Any shareholder holding at least 1% of the total number of shares issued may submit a list of candidates for independent directors in writing to the Company. The number of nominees may not exceed the number of independent directors to be elected.
- II. Where the list of candidates for independent directors is submitted by the Board of Directors, the number of nominees may not exceed the number of independent directors to be elected.
- III. Otherwise as designated by the competent authority.

When providing a recommended list of candidates for independent directors under the preceding paragraph, any shareholder or the Board of Directors shall specify the name, educational background, and work experience of each nominee, and simultaneously provide documents indicating the nominee's fulfillment of the requirements under paragraph 1 of Article 5 and the preceding two Articles, and other relevant documentary proof.

When convening a shareholders meeting, the Board of Directors or any other person having the authority to convene a shareholders meeting shall review the qualifications of each of the nominees for independent directors. Except under any of the following circumstances, any qualified nominee shall be included in the list of candidates for independent directors:

- I. Where the nominating shareholder submits the nomination at a time not within the announced period for receiving nominations.
- II. Where the shares held by the nominating shareholder are less than 1% at the time of book closure by the Company under Paragraph 2 or 3, Article 165 of the Company Act.

- III. Where the number of nominees exceeds the number of independent directors to be elected.
- IV. Where the relevant documentary proof required under the preceding paragraph is not provided.

If any candidate for independent directors included by the Company under the preceding paragraph has already served as an independent director of the Company for three consecutive terms, the Company shall announce, together with the review results under the preceding paragraph, the reasons why the candidate is nominated again as an independent director, and shall explain the reasons to the shareholders at the time of the election at a shareholders meeting.

The election of the directors of the Company shall be organized in accordance with Article 198 of the Company Act, with the elections of independent and non-independent directors held at the same time, but the numbers of elected directors shall be calculated separately.

Article 11: The directors of the Company shall be elected by single, open, and cumulative votes. Each share has a number of voting rights equaling the number of directors or independent directors to be elected. The votes may be concentrated on one candidate or allocated to multiple candidates.

Article 12: The Board of Directors shall prepare separate ballots for directors in numbers corresponding to those of directors and supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 13: The numbers of directors shall be specified in the Articles of Incorporation of the Company, with voting rights calculated separately for independent and non-independent directors. Those receiving ballots representing the higher numbers of voting rights will be elected sequentially according to their respective numbers of voting rights. When two or more persons receive the same numbers of voting rights, thus exceeding the specified number of directors and supervisors, they shall draw lots to determine the winner, with the chairperson drawing lots on behalf of any person not in attendance.

Article 14: Before the election begins, the chairperson shall appoint a number of persons who are shareholders as vote monitoring and counting personnel to perform the relevant tasks. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting begins.

Article 15: For any candidate who is a shareholder, a voter must write the candidate's account name and shareholder account number in the candidate column on the ballot. For any non-shareholder candidate, the voter shall write the candidate's name and identity card number. Where the candidate is a shareholder as a governmental organization or juristic person, the name of the governmental organization or juristic person shall be written in the column of candidate account name on the ballot, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be written instead. When there are multiple representatives, the names of each representative shall be written.

Article 16: A ballot shall be invalid under any of the following circumstances:

- I. The use of any ballot not prepared by the Board of Directors.

- II. A blank ballot is cast into the ballot box.
- III. The handwriting is unclear and unidentifiable or has been altered.
- IV. The name and shareholder account number of any candidate who is a shareholder are inconsistent with those in the shareholder register, or the name and identity card number of any non-shareholder candidate are inconsistent with those in the shareholder register.
- V. Text other than the account name (name) or shareholder account number (identity card number) of the candidate has been written.
- VI. Where the name of the candidate is the same as any other shareholder, the candidate is unidentifiable due to failure to write the shareholder account number.

Article 17: The ballots shall be counted on the spot following completion of voting, and the result and the list of elected directors shall be announced by the chairperson on the spot, including the list of elected directors and independent directors, and the numbers of voting rights with which they are elected.

The ballots for the election process mentioned in the preceding paragraph shall be tightly sealed up, signed by the vote monitor and shall be archived for a minimum of 1 year.

In the event that a shareholder lodges litigation in accordance with Article 189 of the Company Act, the ballots shall be archived until after the litigation is concluded.

Article 18: The Board of Directors of the Company shall issue notifications to the elected directors.

Article 19: These Procedures and any amendment thereto shall come into force after they are approved by the shareholders meeting.

These Procedures came into force after they were approved by the special shareholders meeting on August 23, 2012.

The first amendment of these Procedures came into force after it was approved by the regular shareholders meeting on June 17, 2015.

The second amendment of these Procedures came into force after it was approved by the regular shareholders meeting on June 5, 2018.

The third amendment of these Procedures came into force after it was approved by the regular shareholders meeting on June 5, 2020.

Version	Summary of content changes	Date
1	Addition	August 2012
2	Amendment	June 2015
3	Amendment	June 2018
4	Amendment	June 2020

[Appendix IV]

Chlitina Holding Limited Shareholding of all directors

1. Total share issued by the Company: Common shares 79,492,350 shares
2. Total legal threshold of director shareholdings 6,359,388 shares (8%)
3. As of the last day for share transfer registration April 10, 2021 for this shareholder meeting, director shareholdings under the shareholder list are listed as follows: (Already meet the percentage required under Article 26 of the Securities and Exchange Act)

The last day for share transfer registration: April 10, 2021

Title	Name	Shares held	Shareholding ratio (%)
Chairman	Chen, Pi-Hua	0	0.00%
Director	Wealthy Garden Investment Limited Representative: Chen, Pei-Wen	28,056,000	35.29%
Director	Chu, Yi	0	0.00%
Director	Wu, Ssu-Tsung	0	0.00%
Director	Tsai, Jaclyn Y.L.	0	0.00%
Independent Director	Tsai, Yu-Ching	0	0.00%
Independent Director	Kao, Peng-Wen	0	0.00%
Independent Director	Yu, Hong-Ding	0	0.00%
Total		28,056,000	35.29%

Note: 1. No legal threshold holdings are required for the Board and the supervisors, as the Company has established the Audit Committee.