



Stock Code: 4763

Jinan Acetate Chemical Co., LTD.

Handbook for the 2019 Annual Meeting of Shareholders

Date: June 28, 2019 (Friday)

Address: No. B2 meeting room, 176, Sec. 1, Keelung Rd., Xinyi Dist.,
Taipei City(B2 Conference Room of Concord Securities Corp)

Table of Content

	Page
I. Meeting Agenda	
1. Matters to Report	3
2. Matters for Approval	5
3. Matters for Discussion	7
4. Matters for Election	10
5. Other Motions	11
6. Questions and Motions	11
II. Attachment	
1. Business Report of 2018	12
2. Audit Committee's Review Report.	15
3. The Status report on the First Domestic Unsecured Convertible Corporate Bonds	16
4. CPAs' Audit report and 2018 Consolidate Financial Statements.	17
5. Comparison Table between the Proposed Amendments and the Original Articles of the Articles of Association	27
6. 5 th Amended and restated Articles of Association	48
7. Comparison Table of Amendments to the Operational Procedures for Acquisition and Disposal of Assets	98
8. Comparison Table of Amendments to the Operational Procedures for Loaning of Company Funds	114
9. Comparison Table of Amendments to the Operational Procedures for Endorsements and Guarantees	117
Appendix	
1. 4 th Amended and restated Articles of Association	120
2. Operational Procedures for Acquisition and Disposal of Assets	158
3. Operational Procedures for Loaning of Company Funds	174
4. Operational Procedures for Endorsements and Guarantees.	180
5. Rules of Procedures for Shareholders Meetings	188
6. Rules for Election of Directors	197
7. Shareholding of All Directors	200

Translation

The English version is a translation based on the original Chinese version.
Where any discrepancy arises between the two versions, the Chinese version shall prevail.

Jinan Acetate Chemical Co., LTD.

Agenda of the General Meeting of Shareholders of 2019

Time: June 28, 2019 (Friday) at 9:00 a.m.

Place: No. B2 meeting room, 176, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City

(B2 Conference Room of Concord Securities Corp)

1. Announcement of total equity represented by shareholders attending the general meeting of shareholders
2. Meeting called to order
3. Speech given by the chairperson
4. Matters to Report
 - (i) Business Report of 2018
 - (ii) Audit Committee's Review Report.
 - (iii) The Status report on the First Domestic Unsecured Convertible Corporate Bonds.
 - (iv) The Status report on the Implementation of Buyback of Treasury Stocks.
 - (v) The distribution of employees' and directors' remuneration of 2018
5. Matters for Approval
 - (i) Adoption of the 2018 Business Report and Consolidated Financial Statements.
 - (ii) Adoption of the Proposal for Distribution of 2018 Profits.
6. Matters for Discussion
 - (i) Amendment to the Company's Articles of Incorporation
 - (ii) Amendment to the Operational procedures for Acquisition and Disposal of Assets
 - (iii) Amendment to the Operational Procedures for Loaning of Company Funds
 - (iv) Amendment to the Operational Procedures for Endorsements and Guarantees.
 - (v) Capital surplus transferred to capital increase and issuance of new shares.
7. Matters for Election

By-election of an independent director
8. Other Motions

To release the Board of Directors non-competition restrictions.
9. Questions and Motions
10. Adjournment

Matters to Report

1. Business Report of 2018

Explanation: Business Report of 2018, please refer to Attachment 1 (this handbook pp 12~14).

2. Audit Committee's Review Report

Explanation: Audit report issued by Audit Committee for of 2018, please refer to Attachment 2 (this handbook pp 15).

3. The Status report on the First Domestic Unsecured Convertible Corporate Bonds

Explanation:

- i. To repay the loans issued by the bank and expand working capital, the Company was approved, through with Ref. No.: Jin-Guan-Zheng-Fa-Tzu No. 1060016481 dated May 19, 2017 from Financial Supervisory Commission, Executive Yuan, to issue 5-year unsecured convertible bonds in the amount of NT\$500,000,000, which were exchange-traded from June 9, 2017. As of April 30, 2019, no creditor exercised the conversion right.
- ii. The Status report on the First Domestic Unsecured Convertible Corporate Bonds is attached. Please refer to Attachment 3 (this handbook pp 16).

4. The Status report on the Implementation of Buyback of Treasury Stocks.

Explanation: To assign shares to employees, the board of directors of the Company resolved on November 8, 2018 to redeem the shares of the Company, and has effectively reported to the Financial Supervisory Commission, Executive Yuan the redemption as follows:

Reported total redeemed shares	1,000,000 shares
Reported redemption period	November 9, 2018 to January 8,2019
Reported range of redemption prices	NT\$100 to NT\$160

Reported limit of the amount for redeeming shares this time	NT\$160,000,000
Type and quantity of redeemed shares	Common stock 513,000
Amount of redeemed shares	NT\$63,586,370
Average price per redeemed share	NT\$123.95

5. The distribution of employees' and directors' remuneration of 2018.

Explanation:

- i. According to the Articles of Incorporation, when the Company has any profit in any fiscal year, it shall allocate no less than 1% of the profit to be employees' remuneration. The persons to whom the employees' remuneration is allocated shall include the employees of its affiliate who have met the requirements provided. The Company shall also allocate no more than 3% of the aforementioned profit to be directors' remuneration.
- ii. The directors' remuneration and the employees' remuneration allocated by the Company in 2018 were NT\$2,768,000 and NT\$2,768,000 respectively. Both were allocated in cash.

Matters for Approval

Case 1

Subject: Adoption of the 2018 Business Report and Consolidated Financial Statements.

Explanation: 1. The Company's business report and consolidated financial statements of 2018 have been prepared, and the financial statements have been audited and certified by CPAs. The financial statements and the business report have also been reviewed by audit committee and adopted by the board of directors through its resolution, and are hereby presented to the shareholders' meeting for recognition.

2. For the aforementioned statements and report, please refer to Attachments 1, 2, 4 (this handbook pp 12~15, pp 17~26).

Resolution:

Case 2

Subject: Adoption of the Proposal for Distribution of 2018 Profits.

Explanation: 1. The Company's statement of earning distribution of 2018 is provided below.

2. It is proposed that shareholders' bonus (cash dividends) in the amount of NT\$183,868,000 shall be allocated.

3. It is proposed that cash dividends with NT\$4 per share, rounded to the nearest integer, shall be allocated and that the total of any fractional amount less than NT\$1 shall be listed as other incomes of the Company.

4. It is proposed that the chairman of the board of directors shall be authorized at the shareholders' meeting to adjust the distribution yield in case that the distribution yield needs to be amended due to outstanding shares influenced by any change of capital stock in the future.

5. It is proposed that the chairman of the board of directors shall be authorized at the shareholders' meeting to determine ex-dividend date, distribution date and other matters relevant to distribution of cash dividends.

Jinan Acetate Chemical Co., LTD.

Earning Distribution Statement

Year 2018

Unit: NT\$

Item	Amount
Beginning balance of undistributed earnings	3,444,695
Add: Net profit this year	225,098,166
Less: Allocated legal reserve (10%)	(22,509,817)
Appropriated special reserve	(19,062,235)
Earnings distributable	186,970,809
Allocated items:	
Bonuses to shareholders × Cash dividend NT\$4	183,868,000
Ending balance of undistributed earnings	3,102,809

Note 1: The number of shares is calculated based on the number of the shares outstanding upon the board meeting convened on March 26, 2019, i.e. 45,967,000 shares. The treasury stock of 513,000 shares was excluded.

Note 2: In the earning distribution, the earnings distributable in 2018 were distributed first, and in case of any insufficiency, the distributable earnings accumulated from previous years are distributed by using the first in first out method based on the year when earnings have been generated

Chairman: Wang, Ko-Chang Manager: Wang, Ko-Chang Accounting Supervisor: Wang, Sheng-Pin

Resolution:

Matters for Discussion

Case 1 (Proposed by: Board of Directors)

Subject: Amendment to the Company's Articles of Incorporation.

Explanation:

- i. It is proposed to amend the Articles of Association of the Company in accordance with the requirements under the amended "Checklist for Protection of Shareholder Interest by Foreign Issuers in the Country of Registration" published by the Taiwan Securities Exchange Corporation letter Tai-Zheng-Shang-Er-Zi No. 10717037941 dated 30 November 2018.
- ii. Amend Article 14.3 of the Articles of Association providing for profit distributing or loss compensation by the Company on each half-accounting year.
- iii. To clearly define that employees of the Company are not entitled to the preemptive right under Article 2.6 and 14.6 of the Articles of Association, Article 2.6 of the Articles of Association is amended.
- iv. In accordance with the Company's requirements for operation management, it Article 34.1 of the Articles of Association is amended to provide that the board of directors of the Company shall have at least 5 directors.
- v. The proposed new Articles of Association will replace the existing Articles of Association of the Company. Please refer to Attachment 5 and Attachment 6 (this handbook pp 27~97).

Resolution:

Case 2 (Proposed by: Board of Directors)

Subject: Amendment to the Operational procedures for Acquisition and Disposal of Assets.

Explanation:

- i. In accordance with the Company's practical requirements and applicable laws, it is proposed that certain clauses of the Regulations Governing the Acquisition and

Disposal of Assets be amended.

- ii. For Comparison Table of Amendments to the Operational Procedures for Acquisition and Disposal of Assets, Please refer to Attachment 7. (this handbook pp 98~113)

Resolution:

Case 3 (Proposed by: Board of Directors)

Subject: Amendment to the Operational Procedures for Loaning of Company Funds.

Explanation:

- i. In accordance with the Company's practical requirements and applicable laws, it is proposed that certain clauses of the Procedure for the Loaning of Funds be amended.
- ii. For Comparison Table of Amendments to the Operational Procedures for Loaning of Company Funds, Please refer to Attachment 8. (this handbook pp 114~116).

Resolution:

Case 4 (Proposed by: Board of Directors)

Subject: Amendment to the Operational Procedures for Endorsements and Guarantees.

Explanation:

- i. In accordance with the Company's practical requirements and applicable laws, it is proposed that certain clauses of the Procedure for Endorsements and Guarantees be amended.
- ii. For Comparison Table of Amendments to the Operational Procedures for Endorsements and Guarantees, Please refer to Attachment 9. (this handbook pp 117~119).

Resolution:

Case 5 (Proposed by: Board of Directors)

Subject: Capital surplus transferred to capital increase and issuance of new shares.

Explanation:

- i. It is proposed that NT\$45,967,000 of capital reserve be converted into increased capital and 4,596,700 new shares be issued at the face value of NT\$10 per share.
- ii. The issuance of new shares under the previous paragraph shall be calculated based on shareholding recorded in the shareholders register on the record date for new share issuance. 100 new shares will be allocated to each 1,000 shares held without consideration. Registration for combination of fractional shares may be made with the shareholder services institution of the Company within 5 days from the share transfer blackout date. If no combination is made or if the number of shares remains fractional following combination, cash shall be paid based on face value in accordance with Article 240 of the Company Act. The calculation shall be rounded to the minimum of one dollar. The chairman is authorized to arrange subscription by specified persons based on face value. The actual number of shares to be allocated shall be based on the number of shareholding recorded in the shareholders register on the record date.
- iii. The rights and obligations of the new shares issued through this capital increase shall be the same as those of the existing shares.
- iv. If the number of outstanding shares changes due to change of the Company's stock capital, resulting in a change in the share allocation ratio, it is proposed that the general shareholders meeting authorizes the chairman to handle such event with full power in accordance with the Company Act or applicable laws.
- v. After this capital increase is approved by the shareholders meeting, it is proposed that the board of directors be authorized to further determine the record date for new share issuance, issue date and other relevant matters.

Resolution:

Matters for Election

Subject: By-election of an independent director.

Explanation:

- i. As Mr. Chiang Ping-Kun, one of the 3rd-term independent directors, passed away on December 10, 2018, it is proposed to elect one person to fill his position at the general meeting of shareholders this year. According to Article 34.5 of the Company's Articles of Incorporation, the election of independent directors shall be conducted pursuant to the candidate nomination system, and independent directors shall be elected from independent directors candidates by shareholders.
- ii. The term of office of the elected independent director shall be from June 28, 2019 to June 27, 2020.
- iii. For the list of independent director candidates, please refer to the following table.
Please participate in the election.

Candidate	Name	Education and Work Experience	Current Position	Shareholding (Unit: Share)
Independent Director	Yu, Ching-Hsien	St. John's and St. Mary's Institute of Technology (Department of Textile) CEO of Spread International Enterprise Limited Person in charge of Yu Ching-Chi's Food Enterprise Co., Ltd.	Person in charge of Yu Ching-Chi's Food Enterprise Co., Ltd.	-

Election Result:

Other Motions

Subject: To release the Board of Directors non-competition restrictions..

Explanation:

- i. According to Article of 47.4 of the Articles of Incorporation, “a director shall explain to shareholders at the shareholders’ meeting the important matters within the scope of corporate business that s/he has done for him/herself or others, and shall obtain the permission of shareholders.”
- ii. If a director of the Company invests or engages in any business in the scope of the Company’s business items and serves as a director of another company, the director shall legally obtain the consent of shareholders at the shareholders’ meeting. If a newly elected director of the Company is in the aforementioned situation, it is agreed that the director and his/her representative shall be released from the obligations under the covenant not to compete.
- iii. Other jobs of the independent director are listed in the following table.

Independent Director Candidate	Also Works As
Yu, Ching-Hsien	Person in charge of Yu Ching-Chi’s Food Enterprise Co., Ltd.

- iv. Please discuss.

Resolution:

Questions and Motions

Adjournment

Attachment 1

Jinan Acetate Chemical Co., LTD. Business Report of 2018

Dear Shareholders, Madams and Sirs:

First, we would like to thank all of you for your support and encouragement for the past year. The Company's business result of 2018 is hereby reported as follows:

I. Business Result of 2018

(i) Result of Implementation of Business Plan

In 2018, the consolidated revenue of the Company was NT\$1,739,194 thousand, which is 0.5% less than NT\$1,747,987 thousand of last year. The consolidated net profit after tax was NT\$224,091 thousand, which is 34.85% more than NT\$166,172 thousand of last year. As the price of acetic anhydride was higher in the first half of the year 2018, the gross profit margin was therefore lower and the profit of the first half year was also lower. The gross profit margin of the third quarter rose sharply due to renovation of the factory of acetic anhydride tablets in June 2018 to save consumption of commonly used mediums. As the price of acetic anhydride dropped significantly in the fourth quarter, the gross profit margin of the third quarter therefore rose again. The annually average gross profit margin of 2018 has returned to the level of 2017. Besides, even though sales expenses and R&D expenses increased due to the factory established by Chung Feng to manufacture acetic anhydride tablets, yet the net profit after tax was generally better than that of last year because exchange gains were generated from fluctuation of CNY to USD exchange rate and CB valuation gains were generated due to fluctuation of the share price.

Therefore, the Company will continue to develop better specifications for products and be devoted to integrate upstream materials to reduce cost further. In addition to maintaining existing customers, the Company will also develop niche market, look for strategic alliance and expand supply. Basically, the Company remains optimistic for the growth of business in the future.

(ii) Analysis of Financial Incomes and Expenses and Profitability

Items		Year 2017	Year 2018
Financial structure (%)	Debt Ratio	43.58	44.25
	Ratio of long-term capital to property, plant and equipment	229.49	206.92
Profitability	Return on asset (%)	8.62	10.45
	Return on equity (%)	12.11	17.48
	Pre-tax income to paid-in capital (%)	36.27	45.19
	Profit ratio (%)	9.51	12.88
	Earnings per share (NT\$)	3.70	4.85

The debt ratio of 2018 was slightly higher than that of 2017. The Ratio of long-term capital to property, plant and equipment of 2018 was slightly lower than

that of 2017. Such changes were caused by treasury stock implemented in 2018.

The return on asset, return on equity, pre-tax income to paid-in capital, profit ratio, earnings per share and many profitability indicators of 2018 were better than those of 2017. It was mainly because the income before tax and income after tax of 2018 were higher than those of 2017.

(iii) Status of R&D

As for the R&D direction, the Group not only continues to develop and improve manufacturing process to strengthen its ability of production and manufacturing, but also designs different process conditions. In addition to applying its experience obtained from current products, the Group also develops relevant material parameters, equipment parameters and craftwork parameters. To develop new products, a company has to accumulate necessary technology and experience. With such technology and experience, a company is then able to mass-produce new products with high yield and high quality to enhance the technical threshold for the industry. The Company, after making effort for many years, has obtained a high level of technology maturity, and its relevant products have also been recognized by lots of companies in more than 30 countries in the world.

II. Summary of Business Plan of 2019

(i) Guidelines for Management

1. Focus the niche market with growth potential in an emerging country, and make revenue grow stably.
2. Focus on development of the products with special specifications of cellulose diacetate tow, in addition to the products with general specifications, to satisfy the requirements of specifications required by customers in the world.
3. Strengthen on-the-job training for existing employees, enhance R&D ability, and cooperate with external resources, including institute of science and technology and relevant agencies, to positively research and develop the strategy of applying acetate fiber materials to products, in order to accumulate experience and develop new technology rapidly and ensure and enhance competitiveness in research and development.
4. Provide sound technical service, and customize diversified products with stable quality and a small quantity based on the need for products required by the customer.
5. Continue to look for opportunities of integrating upstream and downstream suppliers vertically, reduce cost and expand downstream supply.

(ii) Important Production and Marketing Policies

1. Develop niche markets in Africa, Middle East, South America and Southeast Asia by participating international and famous trade shows, applying the experience obtained from transactions with emerging economies and countries, or through the services provided by the agent.
2. Possess the ability of manufacturing the products with general specifications, and also focus on development of the products with special specifications to satisfy the requirements of specifications required by customers in the world.
3. Formulate a long-term plan to apply acetate fibers to other applied products to

expand the level of application of products.

III. Corporate Future Development Strategy

(i) Development of Products

Due to advanced production technology, only several large manufacturers produce cellulose acetate tow. It has been an oligopoly market. As acetic anhydride tablets have been mass-produced in recent years, products have even been developed towards spectacle frames, handles of hand tools and other applications. The Company will continue to cultivate research in technology of cellulose acetate to strengthen its product competitiveness and enhance its market share.

(ii) Marketing Strategy

Maintain existing customers, positively look for potential customers by participating trade shows overseas, develop in an emerging country the market that has potential in order to expand business, and choose quality customers to be partners in business and grow with the partners.

(iii) Production Strategy

The Company formulates many R&D plans every year aiming to not only develop new product specifications, but also focus on improvement of craftwork of process, enhancement of efficiency, and increase of percentage of automated production. It also integrates upstream suppliers to reduce production cost per unit.

IV. Influence of External Competitive Environment, Regulatory Environment and Overall Business Environment

The Company, which has autonomous technology of cellulose acetate tow and cellulose acetate (tablet), is able to cooperate with the tobacco company in the monopolistic or oligopoly market of every country. In recent years, the Company has expanded export business positively and broken into the niche market successfully. In addition to the products with general specifications, special specifications are also researched and developed in order to satisfy the demands specified by different customers. The Company also continues to develop environment-friendly products, enhance ability of production and quality control and increase its market share.

We wish you good health and all the best.

Chairman: Wang, Ko-Chang

General Manager: Wang, Ko-Chang

CFO: Wang, Sheng-Bin

Attachment 2

Jinan Acetate Chemical Co., LTD. Audit Committee's Review Report

The board of directors has prepared the company's business report, consolidated financial statements and statement of earning distribution of 2018. The consolidated financial statements have already been audited and certified by Lee Tung-Feng and Yang Ching-Chen, CPAs of Deloitte Taiwan, and the auditors' report has been issued. The audit committee has reviewed the above business report, consolidated financial statements and statement of earning distribution and believed that nothing in those statements was non-compliant. This report is hereby issued in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

This report is hereby submitted to the general meeting of shareholders of 2019.

Jinan Acetate Chemical Co., LTD.

Chairman of the Audit Committee: : Lin, Tzer-Jong

On the Date of March 26, 2019

Attachment 3:

Trading of First Unsecured Convertible Bonds of the Company in 2018 in
the R.O.C.

Type of Bonds	1 st Unsecured Convertible Corporate Bond.	
Date of Issue (Trading)	Issued on June 9, 2017	
Denomination	NT\$100 thousand	
Place of Issue and Trading	Taipei Exchange (GreTai Securities Market)	
Total Amount	Amount issued: NT\$500,000,000 Amount raised: NT\$505,000,000	
Interest Rate	Annual interest rate 0%	
Period	5-year period; Date of maturity: June 9, 2022	
Capital Not Repaid Yet	NT\$500,000 thousand	
Other Rights Attached	Amount of converted (exchanged or subscribed) common shares, overseas depository receipts or other marketable securities as of the date of publication of the annual report	Amount of convertible bonds after exercise of conversion right: NT\$0; Total converted common shares: 0 share
Possible dilution of share rights and current shareholders' equity influenced by regulations of issuance, conversion, exchange or subscription or conditions of issuance	If all are converted to common shares at the current conversion price NT\$161, then 3,105,590 shares have to be issued, which are 6.68% of total issued shares. Its influence on shareholders' equity is limited.	

Attachment 4

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Jinan Acetate Chemical Co., Ltd.

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2018 are stated as follows:

Impairment Assessment of Accounts Receivable

The allowance for impairment loss of accounts receivable of the Group was recognized according to the assessed recoverability of the receivables and the collection experience of the management. Due to the significance of loss allowance and the material impact accounts receivable could have on its financial performance and condition, we consider the impairment assessment of accounts receivable as a key audit matter. The related significant accounting assessment and judgments are disclosed in Notes 4 and 5 to the consolidated financial statements.

The key audit procedures performed in respect of the above area included the following:

1. We have verified the correctness of the aging of accounts receivable through audit sampling.
2. We have assessed the appropriateness of the assumptions used in the evaluation of the recoverability of overdue accounts and possible uncollectible receivables.
3. We have evaluated the reasonableness of the loss allowance recognized by management.

Recognition of Operating Revenue

According to IFRS 15 "Revenue from Contracts with Customers", the Group recognizes revenue when the ownership and significant risks and rewards on the goods or services have been transferred to the customer. We, therefore, consider the recognition of operating revenue as a key audit matter. Please refer to Note 4 to the consolidated financial statements for the relevant accounting policy.

The key audit procedures performed in respect of the above area included the following:

1. We have obtained an understanding of the Group's policies and procedures and internal controls for revenue accounting and we have tested the operating effectiveness of the key controls over the timing of revenue recognition.
2. We have selected sample transactions in the sales records for substantive tests and confirmed them against the supporting documents.

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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including members of the 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Tung-Feng Lee and Ching-Cheng Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 26, 2019

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

JINAN ACETATE CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

ASSETS	2018		2017	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 369,078	16	\$ 206,246	8
Financial assets at amortized cost - current (Notes 4 and 8)	616	-	-	-
Debt investments with no active market - current (Notes 4, 9 and 29)	-	-	184,492	8
Notes and accounts receivable, net (Notes 4, 10 and 21)	262,913	11	321,993	13
Accounts receivable from related parties (Notes 4, 5, 10, 21 and 28)	49,150	2	55,993	2
Other receivables (Notes 25 and 28)	16,511	1	17,462	1
Current tax assets (Notes 4 and 23)	5,447	-	12,401	1
Inventories, net (Notes 4 and 11)	320,695	14	415,573	17
Prepayments (Notes 15 and 29)	85,674	4	101,315	4
Other current assets (Note 29)	123,590	5	99,977	4
Total current assets	<u>1,233,674</u>	<u>53</u>	<u>1,415,452</u>	<u>58</u>
NON-CURRENT ASSETS				
Property, plant and equipment (Notes 4, 13 and 29)	863,830	37	832,414	34
Investment properties, net (Notes 4, 14 and 29)	104,108	5	106,273	4
Deferred tax assets (Notes 4 and 23)	37,550	2	17,658	1
Prepayments for equipment	6,409	-	4,380	-
Refundable deposits (Note 27)	41	-	201	-
Long-term prepayments for leases (Notes 4, 15 and 29)	57,448	2	61,104	3
Other non-current assets	13,638	1	-	-
Total non-current assets	<u>1,083,024</u>	<u>47</u>	<u>1,022,030</u>	<u>42</u>
TOTAL	<u>\$ 2,316,698</u>	<u>100</u>	<u>\$ 2,437,482</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ 116,717	5	\$ -	-
Contract liabilities - current (Note 21)	7,196	-	-	-
Notes payable	92,131	4	39,716	2
Notes payable to related parties (Note 28)	31,416	2	-	-
Accounts payable	121,652	5	249,098	10
Other payables (Notes 18 and 28)	157,379	7	203,608	8
Advance receipts	-	-	34,168	2
Other current liabilities	2,733	-	610	-
Total current liabilities	<u>529,224</u>	<u>23</u>	<u>527,200</u>	<u>22</u>
NON-CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - non-current (Notes 4, 7 and 17)	46,400	2	101,400	4
Bonds payable (Note 17)	439,842	19	423,732	17
Deferred tax liabilities (Notes 4 and 23)	9,785	-	9,989	1
Total non-current liabilities	<u>496,027</u>	<u>21</u>	<u>535,121</u>	<u>22</u>
Total liabilities	<u>1,025,251</u>	<u>44</u>	<u>1,062,321</u>	<u>44</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)				
Share capital				
Common stock	464,800	20	464,800	19
Capital surplus	479,542	21	479,542	20
Retained earnings				
Legal reserve	78,110	3	60,908	3
Special reserve	2,344	-	2,344	-
Unappropriated earnings	228,542	10	253,046	10
Total retained earnings	<u>308,996</u>	<u>13</u>	<u>316,298</u>	<u>13</u>
Other equity				
Exchange differences on translating the financial statements of foreign operations	(84,208)	(4)	(63,201)	(3)
Revaluation surplus	65,146	3	65,146	3
Total other equity	<u>(19,062)</u>	<u>(1)</u>	<u>1,945</u>	<u>-</u>
Treasury shares	(52,124)	(2)	-	-
Total equity attributable to owners of the Company	1,182,152	51	1,262,585	52
NON-CONTROLLING INTERESTS	<u>109,295</u>	<u>5</u>	<u>112,576</u>	<u>4</u>
Total equity	<u>1,291,447</u>	<u>56</u>	<u>1,375,161</u>	<u>56</u>
TOTAL	<u>\$ 2,316,698</u>	<u>100</u>	<u>\$ 2,437,482</u>	<u>100</u>

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

JINAN ACETATE CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 21 and 28)	\$ 1,739,194	100	\$ 1,747,987	100
OPERATING COSTS (Notes 19, 22 and 28)	<u>(1,317,839)</u>	<u>(76)</u>	<u>(1,321,952)</u>	<u>(76)</u>
GROSS PROFIT	<u>421,355</u>	<u>24</u>	<u>426,035</u>	<u>24</u>
OPERATING EXPENSES (Notes 19, 22 and 28)				
Selling and marketing expenses	(84,843)	(5)	(54,307)	(3)
General and administrative expenses	(63,860)	(4)	(66,913)	(4)
Research and development expenses	<u>(110,484)</u>	<u>(6)</u>	<u>(97,399)</u>	<u>(5)</u>
Total operating expenses	<u>(259,187)</u>	<u>(15)</u>	<u>(218,619)</u>	<u>(12)</u>
PROFIT FROM OPERATIONS	<u>162,168</u>	<u>9</u>	<u>207,416</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES (Note 22)				
Other income	12,659	1	13,542	1
Other gains and losses	52,006	3	(43,036)	(2)
Finance costs (Note 4)	<u>(16,781)</u>	<u>(1)</u>	<u>(9,320)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>47,884</u>	<u>3</u>	<u>(38,814)</u>	<u>(2)</u>
PROFIT BEFORE INCOME TAX	210,052	12	168,602	10
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 23)	<u>14,039</u>	<u>1</u>	<u>(2,430)</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>224,091</u>	<u>13</u>	<u>166,172</u>	<u>10</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss				
Exchange differences arising on translation to the presentation currency	<u>(23,281)</u>	<u>(1)</u>	<u>(15,380)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 200,810</u>	<u>12</u>	<u>\$ 150,792</u>	<u>9</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 225,098	13	\$ 172,021	10
Non-controlling interests	<u>(1,007)</u>	<u>-</u>	<u>(5,849)</u>	<u>-</u>
	<u>\$ 224,091</u>	<u>13</u>	<u>\$ 166,172</u>	<u>10</u>

(Continued)

JINAN ACETATE CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME (LOSS)				
ATTRIBUTABLE TO:				
Owners of the Company	\$ 204,091	12	\$ 154,600	9
Non-controlling interests	<u>(3,281)</u>	<u>-</u>	<u>(3,808)</u>	<u>-</u>
	<u>\$ 200,810</u>	<u>12</u>	<u>\$ 150,792</u>	<u>9</u>
EARNINGS PER SHARE (NT\$, Note 24)				
Basic earnings per share	<u>\$ 4.85</u>		<u>\$ 3.70</u>	
Diluted earnings per share	<u>\$ 3.76</u>		<u>\$ 3.70</u>	

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

(Concluded)

JINAN ACETATE CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company												
	Share Capital			Retained Earnings			Other Equity						
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Gains on Property Revaluation	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2017	46,480	\$ 464,800	\$ 462,001	\$ 32,221	\$ 2,344	\$ 342,112	\$ 376,677	\$ (45,780)	\$ 651,146	\$ 19,366	\$ 1,322,844	\$ 45,585	\$ 1,368,429
Appropriation of 2016 earnings	-	-	-	28,687	-	(28,687)	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	(232,400)	(232,400)	-	-	-	(232,400)	-	(232,400)
Cash dividends distributed by the Company	-	-	-	-	-	(261,087)	(232,400)	-	-	-	(232,400)	-	(232,400)
Net profit (loss) for the year ended December 31, 2017	-	-	-	-	-	172,021	172,021	-	-	-	172,021	(5,849)	166,172
Other comprehensive income (loss) for the year ended December 31, 2017, net of income tax	-	-	-	-	-	-	-	(17,421)	-	(17,421)	(17,421)	2,041	(15,380)
Total comprehensive income (loss) for the year ended December 31, 2017	-	-	-	-	-	172,021	172,021	(17,421)	-	(17,421)	154,600	(3,808)	150,792
Changes in percentage of ownership interests in subsidiaries	-	-	17,541	-	-	-	-	-	-	-	17,541	(17,541)	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	88,340	88,340
BALANCE AT DECEMBER 31, 2017	46,480	464,800	479,542	60,908	2,344	253,046	316,298	(63,201)	651,146	1,945	1,269,585	112,576	1,375,161
Appropriation of 2017 earnings	-	-	-	17,202	-	(17,202)	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	(232,400)	(232,400)	-	-	-	(232,400)	-	(232,400)
Cash dividends distributed by the Company	-	-	-	-	-	(249,602)	(232,400)	-	-	-	(232,400)	-	(232,400)
Net profit (loss) for the year ended December 31, 2018	-	-	-	-	-	225,098	225,098	-	-	-	225,098	(1,007)	224,091
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	-	-	-	-	(21,007)	-	(21,007)	(21,007)	(2,274)	(23,281)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	-	225,098	225,098	(21,007)	-	(21,007)	204,091	(3,281)	200,810
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	-	-	(52,124)	-	(52,124)
BALANCE AT DECEMBER 31, 2018	46,480	464,800	479,542	78,110	2,344	228,542	308,996	(84,208)	651,146	(19,062)	1,182,152	109,295	1,291,447

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

JINAN ACETATE CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 210,052	\$ 168,602
Adjustments for:		
Depreciation expenses	86,707	43,319
Amortization expenses	2,403	2,374
Net loss (gain) on fair value changes of financial assets and liabilities designated as at fair value through profit or loss	(55,000)	15,800
Finance costs	16,781	9,320
Interest income	(4,013)	(2,976)
Write-downs (reversal) of inventories	(490)	714
Changes in operating assets and liabilities		
Notes receivable	(4,907)	(1,826)
Accounts receivable	63,987	(236,550)
Accounts receivable from related parties	6,843	(12,034)
Other receivables	(481)	(11,855)
Inventories	95,368	(41,046)
Prepayments	15,592	(95,823)
Other current assets	(23,613)	(97,462)
Contract liabilities	(26,972)	-
Notes payable	52,415	36,145
Notes payable to related parties	31,416	-
Accounts payable	(127,446)	167,728
Other payables	5,654	10,561
Advance receipts	-	28,142
Other current liabilities	<u>2,129</u>	<u>(170)</u>
Cash generated from (used in) operations	346,425	(17,037)
Interest paid	(671)	(489)
Income taxes refund (paid)	<u>221</u>	<u>(40,658)</u>
Net cash generated from (used in) operating activities	<u>345,975</u>	<u>(58,184)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at amortized cost	183,880	-
Payments for debt investments with no active market	-	(177,619)
Payments for property, plant and equipment	(183,644)	(260,992)
Decrease (increase) in refundable deposits	158	(457)
Increase in other non-current assets	(14,172)	-
Increase in prepayments for equipment	(6,535)	-
Interest received	<u>5,445</u>	<u>2,214</u>
Net cash used in investing activities	<u>(14,868)</u>	<u>(436,854)</u>

(Continued)

JINAN ACETATE CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	\$ 116,717	\$ -
Issuance of convertible bonds	-	500,501
Guarantee deposits refunded	(6)	(1,944)
Dividends paid to owners of the Company	(232,400)	(232,400)
Payments for buy-back of ordinary shares	(52,124)	-
Increase in non-controlling interests	<u>-</u>	<u>88,340</u>
Net cash generated from (used in) financing activities	<u>(167,813)</u>	<u>354,497</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(462)</u>	<u>(17,086)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	162,832	(157,627)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>206,246</u>	<u>363,873</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 369,078</u>	<u>\$ 206,246</u>

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

(Concluded)

Jinan Acetate Chemical Co., LTD.

Comparison Table between the Proposed Amendments and the Original Articles of the Articles of
Association

Proposed Amendment	Original Article	Reason for Amendment
<p>2.6 The <u>pre-emptive right of employees under Article 2.3 and the pre-emptive right of Members under Article 2.4</u> shall not apply in the event that new shares are issued due to the following reasons or for the following purposes:</p> <p>(a) in connection with a Merger, spin-off, or pursuant to any reorganization of the Company;</p> <p>(b) in connection with meeting the Company's obligations under share subscription warrants and/or options, including those rendered in Articles 2.8 and 2.11 hereof;</p> <p>(c) in connection with the issue of Restricted Shares in accordance with Article 2.5 hereof;</p> <p>(d) in connection with meeting the</p>	<p>2.6 The pre-emptive right of Members under Article 2.4 shall not apply in the event that new shares are issued due to the following reasons or for the following purposes:</p> <p>(a) in connection with a Merger, spin-off, or pursuant to any reorganization of the Company;</p> <p>(b) in connection with meeting the Company's obligations under share subscription warrants and/or options, including those rendered in Articles 2.8 and 2.11 hereof;</p> <p>(c) in connection with the issue of Restricted Shares in accordance with Article 2.5 hereof;</p> <p>(d) in connection with meeting the Company's obligations under convertible bonds or corporate</p>	<p>This Article is amended to clarify that employees do not have the pre-emptive right in each situation listed in this Article 2.6 and that neither members nor employees have the pre-emptive right when issuing shares in accordance with Article 14.6.</p>

Proposed Amendment	Original Article	Reason for Amendment
<p>Company's obligations under convertible bonds or corporate bonds vested with rights to acquire shares;</p> <p>(e) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire shares;</p> <p>(f) in connection with the issue of shares in accordance with Article 14.6; or</p> <p>(g) in connection with Private Placement of the securities issued by the Company.</p>	<p>bonds vested with rights to acquire shares;</p> <p>(e) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire shares;</p> <p>(f) in connection with Private Placement of the securities issued by the Company.</p>	
<p>2.7 The Company shall not issue any unpaid shares or partly paid shares.</p>	<p>2.7 The Company shall not issue any unpaid shares or partly paid-up shares.</p>	<p>Wording is slightly amended.</p>
<p>3.6 In the event that the Company proposes to purchase any share traded on the ESM or listed on the TPEX or the TSE in Taiwan pursuant to the preceding Article, the resolution of the Board approving such proposal and the implementation thereof should be reported to the Members in the next general meeting in accordance with the Applicable Public Company Rules. Such reporting obligation shall also apply even if the Company does not implement</p>	<p>3.6 In the event that the Company proposes to purchase any share traded on the ESM or listed on the TPEX or the TSE in Taiwan pursuant to the preceding Article, the resolution of the Board approving such proposal and the implementation thereof should be reported to the Members in the next general meeting in accordance with the Applicable Public Company Rules. Such reporting obligation shall also apply even if the Company does not implement</p>	<p>Wording is slightly amended.</p>

Proposed Amendment	Original Article	Reason for Amendment
<p>the proposal to purchase its shares traded on the ESM or listed on the TPEX or the TSE in Taiwan for any reason.</p>	<p>the proposal to purchase its shares traded on the ESM or listed on the TPEX or the TSE in Taiwan for any reason.</p>	
<p>3.12 No share may be redeemed unless it is fully paid.</p>	<p>3.12 No share may be redeemed unless it is fully paid-up.</p>	<p>Wording is slightly amended.</p>
<p>14.3 <u>The Company, in addition to the dividends to be distributed at the end of each financial year, may distribute interim dividends to the Members on semi-year basis. If the Board decides not to distribute interim dividends, the Board shall adopt a resolution to confirm such non-distribution after the relevant first half of the financial year. The distribution of the dividends at the end of each financial year shall comply with the requirements and procedures set forth in Clauses 14.4 to 14.6 and 14.10 to 14.12 and the distribution of the dividends for the first half of the financial year shall comply the requirements and procedures set forth in Clauses 14.6 to 14.12.</u></p>	<p>(New Article)</p>	<p>Article is added to include the provisions with respect to distribution of interim dividends.</p>

Proposed Amendment	Original Article	Reason for Amendment
<p><u>14.4</u> Subject to the Law and this Article and except as otherwise provided by the rights attached to any shares, the Company may distribute profits in accordance with a proposal for profits distribution approved by the Board and sanctioned by the Members by an Ordinary Resolution, in annual general meetings.</p>	<p><u>14.3</u> Subject to the Law and this Article and except as otherwise provided by the rights attached to any shares, the Company may distribute profits in accordance with a proposal for profits distribution approved by the Board and sanctioned by the Members by an Ordinary Resolution, in annual general meetings.</p>	<p>Change to article number due to addition of articles.</p>
<p><u>14.5</u> Upon the final settlement of the Company in the current year, if there is "surplus profit" (as defined below), the Company shall set aside no less than one per cent (1%) as compensation to employees ("Employees' Compensations") and Employees' Compensations may be distributed to employees of the Company and its Subsidiaries, who meet certain qualifications. The Company shall, from the surplus profit, set aside no more than three per cent (3%) thereof as remuneration for the Directors ("Directors' Remuneration"). The distribution proposals in respect of Employees' Compensation and Directors' Remuneration shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors and submitted to the shareholders' meeting for report. However, if the Company has</p>	<p><u>14.4</u> Upon the final settlement of the Company in the current year, if there is "surplus profit" (as defined below), the Company shall set aside no less than one per cent (1%) as compensation to employees ("Employees' Compensations") and Employees' Compensations may be distributed to employees of the Company and its Subsidiaries, who meet certain qualifications. The Company shall, from the surplus profit, set aside no more than three per cent (3%) thereof as remuneration for the Directors ("Directors' Remuneration"). The distribution proposals in respect of Employees' Compensation and Directors' Remuneration shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors and submitted to the shareholders' meeting for report. However, if the Company has</p>	<p>Change to article number due to addition of articles.</p>

Proposed Amendment	Original Article	Reason for Amendment
<p>accumulated losses, the Company shall reserve an amount thereof for making up the losses before proceeding with the above-mentioned distributions and allocation. The "surplus profit" referred to above means the net profit before tax of the Company and for the avoidance of doubt, such amount is before any payment of compensation to employees and remuneration for the Directors.</p>	<p>accumulated losses, the Company shall reserve an amount thereof for making up the losses before proceeding with the above-mentioned distributions and allocation. The "surplus profit" referred to above means the net profit before tax of the Company and for the avoidance of doubt, such amount is before any payment of compensation to employees and remuneration for the Directors.</p>	
<p><u>14.6</u> The Company is in the growth stage. The Board shall prepare the dividend proposal by taking into account the profit of the year, overall development, financial plans, capital requirements, the industry and the Company's prospects and perspectives and so on and submit the proposal for the Members' approval. For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, if there are profits, in making the profits distribution recommendation, the Board shall set aside out of the profits of the Company for each financial year: (i) a reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses incurred in previous years; (iii) ten per cent (10%) as reserve ("Statutory Reserve"); and (iv) a special surplus reserve as required by the applicable securities authority of the ROC under the</p>	<p><u>14.5</u> The Company is in the growth stage. The Board shall prepare the dividend proposal by taking into account the profit of the year, overall development, financial plans, capital requirements, the industry and the Company's prospects and perspectives and so on and submit the proposal for the Members' approval. For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, if there are profits, in making the profits distribution recommendation, the Board shall set aside out of the profits of the Company for each financial year: (i) a reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses incurred in previous years; (iii) ten per cent (10%) as reserve ("Statutory Reserve"); and (iv) a special surplus reserve as required by the applicable securities authority of the ROC under the</p>	<p>Change to article number due to addition of articles.</p>

Proposed Amendment	Original Article	Reason for Amendment
<p>Applicable Public Company Rules.</p> <p>The remaining balance, if any, together with a part or whole of accumulated undistributed profits in the previous years, subject to the Law and the Applicable Public Company Rules and after having considered the financial, business and operational factors of the Company, may be distributed as dividends to Members in proportion to their shareholdings in the amount of no less than ten per cent (10%) of profit after tax of the relevant year. In the event that dividends are distributed to Members in a combination of share dividend and cash dividend, cash dividend shall be no less than ten per cent (10%) of the total dividends.</p>	<p>Applicable Public Company Rules.</p> <p>The remaining balance, if any, together with a part or whole of accumulated undistributed profits in the previous years, subject to the Law and the Applicable Public Company Rules and after having considered the financial, business and operational factors of the Company, may be distributed as dividends to Members in proportion to their shareholdings in the amount of no less than ten per cent (10%) of profit after tax of the relevant year. In the event that dividends are distributed to Members in a combination of share dividend and cash dividend, cash dividend shall be no less than ten per cent (10%) of the total dividends.</p>	
<p>14.7 <u>The Company may distribute interim dividend in accordance with a proposal for profits distribution approved by the Board, provided that if the interim dividend will be distributed by way of applying such sum in paying up in full unissued shares, in addition to the approval of the Board, such distribution shall also be sanctioned by the Members by a Supermajority Resolution in a general meeting.</u></p>	<p>(New Article)</p>	<p>This Article is added to include the provisions with respect to distribution of interim dividends.</p>

Proposed Amendment	Original Article	Reason for Amendment
<p><u>14.8</u> For the distribution of interim dividends, the proposal of surplus earning distribution or loss off-setting for the first half of the financial year, together with the business report and financial statements (which shall be audited or reviewed by a certified public accountant in accordance with the Applicable Public Company Rules), shall be submitted to the Audit Committee for approval, and then, be submitted to the Board for approval.</p>	<p>(New Article)</p>	<p>This Article is added to include the provisions with respect to distribution of interim dividends.</p>
<p><u>14.9</u> When the Company makes the interim distribution, the Company shall (a) estimate and reserve all payable taxes, (b) offset losses incurred in previous years, and (c) reserve the Statutory Reserve (unless the Statutory Reserve has reached the total paid-up capital of the Company).</p>	<p>(New Article)</p>	<p>This Article is added to include the provisions with respect to distribution of interim dividends.</p>
<p><u>14.10</u> The Board shall fix any date as the record date for determining the Members entitled to receive any dividend or other distribution.</p>	<p><u>14.6</u> The Board shall fix any date as the record date for determining the Members entitled to receive any dividend or other distribution.</p>	<p>Change to article number due to addition of articles.</p>
<p><u>14.11</u> For the purpose of determining Members entitled to receive payment of any dividend or other distributions, the Directors may provide that the Register of Members be closed for transfers for five (5) days before the relevant record</p>	<p><u>14.7</u> For the purpose of determining Members entitled to receive payment of any dividend or other distributions, the Directors may provide that the Register of Members be closed for transfers for five (5) days before the relevant record date or</p>	<p>Change to article number due to addition of articles.</p>

Proposed Amendment	Original Article	Reason for Amendment
<p>date or such other period consistent with the Applicable Public Company Rules subject to compliance with the Law.</p>	<p>such other period consistent with the Applicable Public Company Rules subject to compliance with the Law.</p>	
<p><u>14.12</u> No unpaid dividend shall bear interest as against the Company.</p>	<p><u>14.8</u> No unpaid dividend shall bear interest as against the Company.</p>	<p>Change to article number due to addition of articles.</p>
<p><u>19.7</u> For so long as the shares are traded on the <u>ESM</u> or listed on the TPEX or the TSE in Taiwan, any one or more Member(s) may <u>summon an extraordinary general meeting, provided that such Member or Members shall hold more than fifty per cent. of the total issued shares of the Company for a continuous period of no less than three months. The number of the shares held by a Member and the period of which a Member holds such shares, shall be calculated and determined based on the Register of Members as of the first day of the period that the Register of Members shall be closed for transfers.</u></p>	<p>(New Article)</p>	<p>This Article is added pursuant to the revised Shareholders' Rights Protection Checklist published by the Taiwan Stock Exchange on November 30, 2018.</p>
<p><u>19.8</u> If the Board does not or is unable to <u>convene a general meeting (including the annual general meeting) or it is for the Company's benefit, the Independent Director may convene a general meeting when he/she in his/her absolute discretion</u></p>	<p>(New Article)</p>	<p>This Article is added pursuant to the revised Shareholders' Rights Protection Checklist published by the Taiwan Stock Exchange on November 30, 2018.</p>

Proposed Amendment	Original Article	Reason for Amendment
<p><u>deems necessary.</u></p> <p>20.6 For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the following matters shall be stated in the notice of a general meeting, with a summary of the major content to be discussed, and shall not be proposed as an extemporary motion:</p> <p>(a) election or discharge of Directors,</p> <p>(b) alteration of the Memorandum or Articles,</p> <p>(c) <u>capital deduction,</u></p> <p>(d) <u>application to terminate the public offering of the shares,</u></p> <p>(e) (i) dissolution, Merger or spin-off, (ii) entering into, amending, or terminating any Lease Contract, Management Contract or Joint Operation Contract, (iii) transfer of the whole or any essential part of the business or assets of the Company, and (iv) acquisition or assumption of the whole of the business or assets of another person, which has a material effect on the</p>	<p>20.6 For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the following matters shall be stated in the notice of a general meeting, with a summary of the major content to be discussed, and shall not be proposed as an extemporary motion:</p> <p>(a) election or discharge of Directors,</p> <p>(b) alteration of the Memorandum or Articles,</p> <p>(c) (i) dissolution, Merger or spin-off, (ii) entering into, amending, or terminating any Lease Contract, Management Contract or Joint Operation Contract, (iii) transfer of the whole or any essential part of the business or assets of the Company, and (iv) acquisition or assumption of the whole of the business or assets of another person, which has a material effect on the operations of the Company,</p> <p>(d) ratification of an action by Director(s) who engage(s) in business for himself or on behalf of another person that is within the</p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taiwan Stock Exchange on November 30, 2018.</p>

Proposed Amendment	Original Article	Reason for Amendment
<p>operations of the Company,</p> <p>(f) ratification of an action by Director(s) who engage(s) in business for himself or on behalf of another person that is within the scope of the Company's business,</p> <p>(g) distribution of the whole or part of the surplus profit of the Company in the form of new shares, capitalization of Capital Reserve and any other amount in accordance with Article 17,</p> <p>(h) making distributions of new shares or cash out of the Statutory Reserve, the premium received on the issuance of any shares and income from endowments received by the Company to its Members, and</p> <p>(i) Private Placement of any equity-related securities to be issued by the Company.</p> <p><u>The major content of the above matters can be announced at the website designated by the ROC securities authority or by the Company, and the Company shall specify the link to the website in the notice of the relevant general meeting.</u></p>	<p>scope of the Company's business,</p> <p>(e) distribution of the whole or part of the surplus profit of the Company in the form of new shares, capitalization of Capital Reserve and any other amount in accordance with Article 17,</p> <p>(f) making distributions of new shares or cash out of the Statutory Reserve, the premium received on the issuance of any shares and income from endowments received by the Company to its Members, and</p> <p>(g) Private Placement of any equity-related securities to be issued by the Company.</p>	

Proposed Amendment	Original Article	Reason for Amendment
<p>20.7 For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Board shall keep the Memorandum and Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the Registered Office (if applicable) and the Company's stock affairs agent located in the ROC. Members may request, from time to time, by submitting document(s) evidencing his interests involved and indicating the designated scope of the inspection, access to inspect, review or make copies of the foregoing documents. If the relevant documents are kept by the Company's stock affairs agent, upon the request of any Member, the Company shall order the Company's stock affairs agent to provide such Member with the requested documents.</p>	<p>20.7 For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Board shall keep the Memorandum and Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the Registered Office (if applicable) and the Company's stock affairs agent located in the ROC. Members may request, from time to time, by submitting document(s) evidencing his interests involved and indicating the designated scope of the inspection, access to inspect, review or make copies of the foregoing documents.</p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taiwan Stock Exchange on November 30, 2018.</p>
<p>20.9 <u>If the general meeting is convened by the Board and other person entitled to convene a general meeting in accordance with these Articles or any applicable law, the Board and such person may request the Company or the Company's stock affairs agent to provide the Register of Members. Upon the request, the</u></p>	<p>(New Article)</p>	<p>This Article is added pursuant to the revised Shareholders' Rights Protection Checklist published by the Taiwan Stock Exchange on November 30, 2018.</p>

Proposed Amendment	Original Article	Reason for Amendment
<p>Company shall order the Company's stock affairs agent to) provide the Register of Members.</p>		
<p>23.6 For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, member(s) holding one per cent (1%) or more of the Company's total issued shares immediately prior to the relevant book close period, during which the Company closed its Register of Members, may propose to the Company in writing or any electronic means designated by the Company one matter for discussion at an annual general meeting. The Company shall give a public notice in such manner and at such time as permitted by Applicable Law specifying the place and a period of not less than ten (10) days for Members to submit proposals. Proposals submitted for discussion at an annual general meeting shall be included in the agenda of the annual general meeting by the Board unless (a) the proposing Member(s) holds less than one cent (1%) of the Company's total issued shares, (b) the matter of such proposal may not be resolved by a general meeting or the proposal exceeds 300 Chinese words; (c) the proposing Member(s) has proposed more than one proposal; or (d)</p>	<p>23.6 For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, member(s) holding one per cent (1%) or more of the Company's total issued shares immediately prior to the relevant book close period, during which the Company closed its Register of Members, may propose to the Company in writing one matter for discussion at an annual general meeting. The Company shall give a public notice in such manner and at such time as permitted by Applicable Law specifying the place and a period of not less than ten (10) days for Members to submit proposals. Proposals submitted for discussion at an annual general meeting shall <u>not</u> be included in the agenda of the annual general meeting where (a) the proposing Member(s) holds less than one cent (1%) of the Company's total issued shares, (b) the matter of such proposal may not be resolved by a general meeting; (c) the proposing Member(s) has proposed more than one proposal; or (d) the proposal is submitted to the Company after the date fixed and announced by the Company for accepting Member(s)'</p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taiwan Stock Exchange on November 30, 2018.</p>

Proposed Amendment	Original Article	Reason for Amendment
<p>the proposal is submitted to the Company outside the period fixed and announced by the Company for accepting Member(s)' proposal(s). <u>If the purpose of the proposal is to urge the Company to promote public interests or fulfil its social responsibilities, the Board may accept such proposal to be discussed in general meeting.</u></p>	<p>proposal(s).</p>	
<p>34.1 There shall be a Board consisting of no less than <u>five (5)</u> and no more than nine (9) persons. The term of office for each Director shall not exceed a period of three (3) years provided that in the event the expiration of the term of office of such Directors would otherwise leave the Company with no Directors, the term of office of such Directors shall be extended automatically to the date of the general meeting next following the expiration of such term, at which new Directors will be elected to assume office. Directors may be eligible for re-election. The Company may from time to time by Special Resolution increase or reduce the number of Directors, subject to the foregoing and the Applicable Law.</p>	<p>34.1 There shall be a Board consisting of no less than <u>seven (7)</u> and no more than nine (9) persons. The term of office for each Director shall not exceed a period of three (3) years provided that in the event the expiration of the term of office of such Directors would otherwise leave the Company with no Directors, the term of office of such Directors shall be extended automatically to the date of the general meeting next following the expiration of such term, at which new Directors will be elected to assume office. Directors may be eligible for re-election. The Company may from time to time by Special Resolution increase or reduce the number of Directors, subject to the foregoing and the Applicable Law.</p>	<p>This Article is amended to meet the business management needs.</p>

Proposed Amendment	Original Article	Reason for Amendment
<p>36.1 The Company may from time to time by Supermajority Resolution remove any Director from office. Where re-election of all Directors is effected prior to the expiration of the term of office of existing Directors, the term of office of all current Directors is deemed to have expired on the date of the re-election or any other date as otherwise resolved by the Members at the general meeting if the Members do not resolve that all current Directors will only retire at the expiration of their present term of office. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to re-elect all Directors. If the term of office of all Directors expires at the same time and no general meeting was held before such expiry for re-election, their term of office shall continue and be extended to such time when new Directors are elected or re-elected in the next general meeting and they commence their office.</p>	<p>36.1 The Company may from time to time by Supermajority Resolution remove any Director from office. Where re-election of all Directors is effected by a resolution adopted at a general meeting prior to the expiration of the term of office of existing Directors, the term of office of all current Directors is deemed to have expired on the date of the re-election or any other date as otherwise resolved by the Members at the general meeting if the Members do not resolve that all current Directors will only retire at the expiration of their present term of office. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to re-elect all Directors. If the term of office of all Directors expires at the same time and no general meeting was held before such expiry for re-election, their term of office shall continue and be extended to such time when new Directors are elected or re-elected in the next general meeting and they commence their office.</p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taiwan Stock Exchange on November 30, 2018.</p>

Proposed Amendment	Original Article	Reason for Amendment
<p>37.1 The office of Director shall be vacated:</p> <p>(a) if the Director is removed from office pursuant to the Articles;</p> <p>(b) if the Director dies;</p> <p>(c) if the Director is automatically discharged from his office in accordance with Article 34.3;</p> <p>(d) if the Director resigns his office by notice in writing to the Company;</p> <p>(e) if the Director is the subject of a court order for his removal in accordance with Article 36.2; or</p> <p>(f) with immediate effect without any action required on behalf of the Company if</p>	<p>37.1 The office of Director shall be vacated:</p> <p>(a) if the Director is removed from office pursuant to the Articles;</p> <p>(b) if the Director dies;</p> <p>(c) if the Director is automatically discharged from his office in accordance with Article 34.3;</p> <p>(d) if the Director resigns his office by notice in writing to the Company;</p> <p>(e) if the Director is the subject of a court order for his removal in accordance with Article 36.2; or</p> <p>(f) with immediate effect without any action required on behalf of the Company if</p> <p>(i) the Director has been adjudicated bankrupt, and has not been reinstated to his rights and privileges;</p> <p>(ii) an order is made by any competent court or official on the grounds that the Director has no legal capacity, or his legal capacity is restricted according to Applicable Law;</p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taiwan Stock Exchange on November 30, 2018.</p>
<p>(i) the Director has been adjudicated bankrupt or the court has declared a liquidation process in connection with the Director, and such Director has not been reinstated to his rights and privileges;</p> <p>(ii) an order is made by any competent court or official on the grounds that the Director</p>		

Proposed Amendment	Original Article	Reason for Amendment
<p>has no legal capacity, or his legal capacity is restricted according to Applicable Law;</p> <p>(iii) the Director has been adjudicated of the commencement of assistantship (as defined under the ROC Civil Code) or similar declaration and such assistantship/declaration has not been revoked yet;</p> <p>(iv) the Director has committed an offence as specified in the ROC statute of prevention of organizational crimes and subsequently has been adjudicated guilty by a final judgment, and (A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than five years, or (D) was pardoned for less than five years;</p> <p>(v) the Director has committed an offence in terms of fraud, breach of trust or</p>	<p>(iii) the Director has committed an offence as specified in the ROC statute of prevention of organizational crimes and subsequently has been adjudicated guilty by a final judgment, and the time elapsed after he has served the full term of the sentence is less than five years;</p> <p>(iv) the Director has committed an offence in terms of fraud, breach of trust or misappropriation and subsequently has been punished with imprisonment for a term of more than one year, and the time elapsed after he has served the full term of such sentence is less than two years;</p> <p>(v) the Director has been adjudicated guilty by a final judgment for misappropriating public funds during the time of his public service, and the time elapsed after he has served the full term of such sentence is less than two years; or</p>	

Proposed Amendment	Original Article	Reason for Amendment
<p>misappropriation and subsequently has been punished with imprisonment for a term of more than one year, and <u>(A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than two years, or (D) was pardoned for less than two years;</u></p> <p>(vi) the Director has been adjudicated guilty by a final judgment for committing offenses under the ROC Anti-Corruption Act, and <u>(A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than two years, or (D) was pardoned for less than two years; or</u></p> <p>(vii) the Director has been dishonored for use of credit instruments, and the term of such sanction has not expired</p>	<p>(vi) the Director has been dishonored for use of credit instruments, and the term of such sanction has not expired yet.</p>	

Proposed Amendment	Original Article	Reason for Amendment
<p>yet.</p>		
<p>37.2 In case a Director (<u>other than an Independent Director</u>) has, during the term of office as a Director, transferred more than one half of the Company's shares being held by him at the time he is elected, he shall, ipso facto, be removed automatically from the position of Director with immediate effect and no shareholders' approval shall be required.</p>	<p>37.2 In case a Director has, during the term of office as a Director, transferred more than one half of the Company's shares being held by him at the time he is elected, he shall, ipso facto, be removed automatically from the position of Director with immediate effect and no shareholders' approval shall be required.</p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taiwan Stock Exchange on November 30, 2018.</p>
<p>37.3 If any Director (<u>other than an Independent Director</u>) has, after having been elected as a Director and before his inauguration of the office of director, transferred more than one half of the Company's shares being held by him at the time of his election as a Director, then he shall immediately cease to be a Director, then he shall immediately cease to be a Director and no shareholders' approval shall be required. If any Director (<u>other than an Independent Director</u>) has, after having been elected as a Director, transferred more than one half of the Company's shares then being held by him within the share transfer prohibition period prior to a shareholders' meeting according to the Applicable Public Company Rules, then he shall</p>	<p>37.3 If any Director has, after having been elected as a Director and before his inauguration of the office of director, transferred more than one half of the Company's shares being held by him at the time of his election as a Director, then he shall immediately cease to be a Director and no shareholders' approval shall be required. If any Director has, after having been elected as a Director, transferred more than one half of the Company's shares then being held by him within the share transfer prohibition period prior to a shareholders' meeting according to the Applicable Public Company Rules, then he shall immediately cease to be a Director and no</p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taiwan Stock Exchange on November 30, 2018.</p>

Proposed Amendment	Original Article	Reason for Amendment
<p>immediately cease be a Director and no shareholders' approval shall be required.</p>	<p>shareholders' approval shall be required.</p>	
<p>47.2 Notwithstanding anything to the contrary contained in this Article 47, a Director who is directly or indirectly interested in any matter under discussion at a meeting of the Directors or a contract or proposed contract or arrangement with the Company shall declare the nature and the essential contents of such interest at the relevant meeting of the Directors as required by the Applicable Law. <u>Where the spouse, the person related to a Director by blood and within the second degree (as defined under the ROC Civil Code), or any company which has a controlling or controlled relationship with a Director has interests in the matters under discussion in the meeting of the Directors, such Director shall be deemed to have a personal interest in the matter. The terms "controlling" and "controlled" shall be interpreted in accordance with the Applicable Public Company Rules.</u></p>	<p>47.2 Notwithstanding anything to the contrary contained in this Article 47, a Director who is directly or indirectly interested in any matter under discussion at a meeting of the Directors or a contract or proposed contract or arrangement with the Company shall declare the nature and the essential contents of such interest at the relevant meeting of the Directors as required by the Applicable Law.</p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taiwan Stock Exchange on November 30, 2018.</p>
<p>48.3 To the extent permitted under the laws of the Cayman Islands, Members continuously holding <u>one</u> per cent (1%) or more of the total issued shares of the</p>	<p>48.3 To the extent permitted under the laws of the Cayman Islands, Members continuously holding <u>three</u> per cent (3%) or more of the total issued shares of the</p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taiwan Stock Exchange on</p>

Proposed Amendment	Original Article	Reason for Amendment
<p>Company for <u>six months</u> or longer may:</p> <p>(a) request in writing the Board to authorise any Independent Director of the Audit Committee to file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors; or</p> <p>(b) request in writing any Independent Director of the Audit Committee to file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors; or</p> <p>the Member(s) may, to the extent permitted under the laws of the Cayman Islands, file a petition with the Taipei District Court, ROC for and on behalf of the Company against the relevant Directors within thirty (30) days after such Member(s) having made the request under the preceding clause (a) or (b) if (i) in the case of clause (a), the Board fails to make such authorisation or the Independent Director of the Audit Committee having been authorised by the Board fails to file such petition, or (ii) in the case of clause (b), the Independent Director of the Audit Committee fails to file such petition.</p>	<p>Company for <u>a year</u> or longer may:</p> <p>(a) request in writing the Board to authorise any Independent Director of the Audit Committee to file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors; or</p> <p>(b) request in writing any Independent Director of the Audit Committee to file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors; or</p> <p>the Member(s) may, to the extent permitted under the laws of the Cayman Islands, file a petition with the Taipei District Court, ROC for and on behalf of the Company against the relevant Directors within thirty (30) days after such Member(s) having made the request under the preceding clause (a) or (b) if (i) in the case of clause (a), the Board fails to make such authorisation or the Independent Director of the Audit Committee having been authorised by the Board fails to file such petition, or (ii) in the case of clause (b), the Independent Director of the Audit Committee fails to file such petition.</p>	<p>November 30, 2018.</p>

Proposed Amendment	Original Article	Reason for Amendment
<p>63.2 Subject to the Applicable Law and to the extent permitted under the laws of the Cayman Islands, the Independent Directors of the Audit Committee shall supervise the execution of business operations of the Company, and may at any time or from time to time investigate the business and financial conditions of the Company, examine, review or make copies of the accounting books and documents, and request the Board or officers to report on matters referred to above. Subject to the Applicable Law and to the extent permitted under the laws of the Cayman Islands, the Board may authorise any Independent Director of the Audit Committee to appoint on behalf of the Company, a practicing lawyer and independent auditors to conduct the examination.</p>	<p>63.2 Subject to the Applicable Law and to the extent permitted under the laws of the Cayman Islands, the Independent Directors of the Audit Committee shall supervise the execution of business operations of the Company, and may at any time or from time to time investigate the business and financial conditions of the Company, examine the accounting books and documents, and request the Board or officers to report on matters referred to above. Subject to the Applicable Law and to the extent permitted under the laws of the Cayman Islands, the Board may authorise any Independent Director of the Audit Committee to appoint on behalf of the Company, a practicing lawyer and independent auditors to conduct the examination.</p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taiwan Stock Exchange on November 30, 2018.</p>
<p>69. Social Responsibilities <u>When the Company conducts the 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.</u></p>	<p>(New Article)</p>	<p>This Article is added pursuant to the revised Shareholders' Rights Protection Checklist published by the Taiwan Stock Exchange on November 30, 2018.</p>

**FIFTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION
OF
Jinan Acetate Chemical Co., LTD.**

(adopted by a Special Resolution passed on June 28, 2019)

Table A

The regulations in Table A in the First Schedule to the Law (as defined below) do not apply to the Company.

INTERPRETATION

1. Definitions

1.1 In these Amended and Restated Articles, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

Applicable Law	the Applicable Public Company Rules, the Law or such other rules or legislation applicable to the Company;
Applicable Public Company Rules	the ROC laws, rules and regulations (including, without limitation, the Company Law of the ROC, the Securities and Exchange Law of the ROC, the rules and regulations promulgated by the FSC, the rules and regulations promulgated by the TPEX and the rules and regulations promulgated by the TSE, as amended from time to time) affecting public reporting companies or companies listed on any ROC stock exchange or securities market that from time to time are required by the relevant regulator as applicable to the Company;
Appointed Representative	has the meaning given thereto in Article 35.5;
Articles	the Articles of Association as altered from time to time;
Audit Committee	the audit committee of the Board, which shall comprise solely of all the Independent Directors of the Company;
Board	the board of directors appointed or elected pursuant to the Articles and acting at a meeting of directors at which there is a quorum in accordance with the Articles;

Capital Reserve	for the purpose of the Articles only, comprises of the premium paid on the issuance of any share and income from endowments received by the Company from the Members;
Chairman	the Director elected amongst all the Directors as the chairman of the Board;
Company	Jinan Acetate Chemical Co., LTD.;
Compensation Committee	a committee of the Board, which shall be comprised of professional individuals and having the functions, in each case, prescribed by the Applicable Public Company Rules;
Cumulative Voting	the voting mechanism for an election of Directors as described in Article 35.2 hereof;
Directors	the directors for the time being of the Company and shall include any and all Independent Director(s);
Electronic Record	has the same meaning as in the Electronic Transactions Law;
Electronic Transactions Law	the Electronic Transactions Law (2003 Revision) of the Cayman Islands;
ESM	the emerging stock market of the ROC;
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 shall include the parents, siblings, grandparents, children and grandchildren of the first person as well as the parents, siblings and grandparents of the first person's spouse;
FSC	the Financial Supervisory Commission of the ROC;
Independent Directors	the Directors who are elected as "Independent Directors" in accordance with the Applicable Public Company Rules or the Articles;
Joint Operation Contract	a contract between the Company and one or more person(s) or entit(ies) where the parties thereto 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 thereof;
Law	The Companies Law of the Cayman Islands and every modification, reenactment or revision thereof 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 the whole business of the Company in the name of such person, and as consideration, the Company receives a pre-determined compensation from such person;
Litigious and Non-Litigious Agent	a person appointed by the Company pursuant to the Applicable Law as the Company's process agent for purposes of service of documents in the relevant jurisdiction and the Company's responsible person in the ROC under the Securities and Exchange Law of the ROC;
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 and for the benefit of the Company, and as consideration, such person(s) receive a pre-determined compensation from the Company while the Company continues to be entitled to the profits (or losses) of such business;
Market Observation Post System	the public company reporting system maintained by the TSE;
Member	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
Memorandum	the memorandum of association of the Company;
Merger	means: (a) a "merger" or "consolidation" as defined under the Law ; or (b) other forms of mergers and acquisitions which fall within the definition of "merger and/or consolidation" under the Applicable Public Company Rules;
month	calendar month;
Notice	written notice as further provided in the Articles unless otherwise specifically stated;
Officer	any person appointed by the Board to hold an office in the Company;
Ordinary Resolution	a resolution passed at a general meeting (or, if so specified, a meeting of Members holding a class of shares) of the Company by not less than a simple majority vote of the Members present

	at the meeting, in person or by proxy. For these purposes, where votes represented but not cast at the meeting will be deemed to be votes cast against the resolution;
Preferred Shares	has the meaning given thereto in Article 6;
Private Placement	means, for so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the private placement by the Company of shares or other securities of the Company as permitted by the Applicable Public Company Rules;
Register of Directors and Officers	the register of directors and officers referred to in Article 42 hereof;
Register of Members	the register of members of the Company maintained in accordance with the Law and (as long as the shares of the Company are traded on the ESM or listed on the TPEX or the TSE in Taiwan) the Applicable Public Company Rules;
Registered Office	the registered office for the time being of the Company;
Replacement	has the meaning given thereto in Article 35.6;
Restricted Shares	has the meaning given thereto in Article 2.5;
ROC	Taiwan, the Republic of China;
Seal	the common seal or any official or duplicate seal of the Company;
Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
share(s)	share(s) of par value New Taiwan Dollars 10.00 each in the Company;
Special Resolution	Subject to the Law, means a resolution passed at a general meeting of the Company by a majority of at least two-thirds of the votes cast by such Members who, being entitled to do so, vote in person or by their proxies, or, in the case of Members that are corporations or other non-natural person, by their duly authorised representatives by computing the number of votes to which each Member is entitled;
Subsidiary	with respect to any company, (1) the entity, more than one half of whose total number of the issued voting shares or the total amount of the share capital are directly or indirectly held by such company; or (2) the entity that such company has a direct or indirect control over its personnel, financial or business operation;

Supermajority Resolution	a resolution passed by a majority vote of the Members present at a general meeting attended by Members who represent two-thirds or more of the total issued shares or, if the total number of shares represented by the Members present at the general meeting is less than two-thirds of the total issued shares, but more than one half of the total issued shares, means instead, a resolution passed by two-thirds or more of votes cast by the Members present at such general meeting. For these purposes, where votes represented but not cast at the meeting will be deemed to be votes cast against the resolution;
Treasury Shares	means shares of the Company held in treasury pursuant to the Law and the Articles;
TDCC	the Taiwan Depository & Clearing Corporation;
TPEX	the Taipei Exchange;
TSE	the Taiwan Stock Exchange Corporation; and
year	calendar year.

1.2 In the Articles, where not inconsistent with the context:

- (a) words denoting the plural number include the singular number and vice versa;
- (b) words denoting the masculine gender include the feminine and neuter genders;
- (c) words importing persons include companies, associations or bodies of persons whether corporate or not;
- (d) the words:-
 - (i) "may" shall be construed as permissive; and
 - (ii) "shall" shall be construed as imperative;
- (e) "written" and "in writing" include all modes of representing or reproducing words in visible form, including the form of an Electronic Record;
- (f) a reference to statutory provision shall be deemed to include any amendment or re-enactment thereof;
- (g) unless otherwise provided herein, words or expressions defined in the Law shall bear the same meaning in the Articles; and
- (h) Section 8 of the Electronic Transactions Law shall not apply to the extent that it imposes obligations or requirements in addition to those set out in the Articles.

1.3 Headings used in the Articles are for convenience only and are not to be used or relied upon in the construction hereof.

SHARES

2. Power to Issue Shares

- 2.1 Subject to the Applicable Law, Articles and any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares of the Company on such terms and conditions as it may determine and any shares or class of shares (including the issue or grant of options, warrants and other rights, renounceable or otherwise in respect of shares) may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may by resolution of the Members prescribe, provided that no share shall be issued at a discount except in accordance with the Law and the Applicable Public Company Rules.
- 2.2 Unless otherwise provided in the Articles, the issue of new shares of the Company shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors. The issue of new shares shall at all times be subject to the sufficiency of the authorized capital of the Company.
- 2.3 After the application for trading of the shares on the ESM or listing in Taiwan has been approved by the TPEX or TSE, as applicable, where the Company increases its issued share capital by issuing new shares for cash consideration in the ROC, the Company shall allocate 10% of the total amount of the new shares to be issued, for offering in the ROC to the public ("**Public Offering Portion**") unless it is not necessary or appropriate, as determined by the FSC or the TPEX for the Company to conduct the aforementioned public offering or otherwise provided by Applicable Law. However, if a percentage higher than the aforementioned 10% is resolved by the Members in a general meeting by Ordinary Resolution to be offered, the percentage determined by such resolution shall prevail and shares corresponding to such percentage shall be reserved as Public Offering Portion. The Company may also reserve 10% to 15% of such new shares for subscription by the employees of the Company and its Subsidiaries (the "**Employee Subscription Portion**"). The Company may prohibit such employees from transferring the shares so subscribed within a certain period; provided, however, that such a period cannot be more than two years.
- 2.4 Unless otherwise resolved by the Members in general meeting by Ordinary Resolution, where the Company increases its issued share capital by issuing new shares for cash consideration pursuant to Article 2.3 hereof, after allocation of the Public Offering Portion, including, for the avoidance of doubt, any percentage in excess of 10% of the total amount of the new shares to be issued for offering in the ROC to the public as resolved by the Members in general meeting be offered pursuant to Article 2.3, and the Employee Subscription Portion pursuant to Article 2.3 hereof, the Company shall make a public announcement and notify each Member that he is entitled to exercise a pre-emptive right to purchase his pro rata portion of the remaining new shares, to be

issued in the capital increase for cash consideration. The Company shall state in such announcement and notices to the Members the procedures for exercising such pre-emptive rights and that if any Member fails to purchase his pro rata portion of such remaining newly-issued shares within the prescribed period, such Member shall be deemed to forfeit his pre-emptive right to purchase such newly-issued shares. Where an exercise of the pre-emptive right may result in fractional entitlement of a Member, the entitlements (including fractional entitlements) of two or more Members may be combined to jointly subscribe for one or more whole new shares in the name of a single Member, subject to compliance with such directions and terms and conditions as determined by the Board and the Applicable Public Company Rules. If the total number of the new shares to be issued has not been fully subscribed for by the Members within the prescribed period, the Company may consolidate such shares into the public offering tranche or offer any un-subscribed new shares to a specific person or persons in such manner as is consistent with the Applicable Public Company Rules.

- 2.5** Subject to the Applicable Law, the Company may issue new shares with restricted rights ("**Restricted Shares**") to employees of the Company and its Subsidiaries with the sanction of a Supermajority Resolution provided that Article 2.3 hereof shall not apply in respect of the issue of such shares. For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the terms of issue of Restricted Shares, including but not limited to the number of Restricted Shares so issued, issue price of Restricted Shares and other related matters shall be in accordance with the Applicable Public Company Rules.
- 2.6** The pre-emptive right of employees under Article 2.3 and the pre-emptive right of Members under Article 2.4 shall not apply in the event that new shares are issued due to the following reasons or for the following purposes:
- (a) in connection with a Merger, spin-off, or pursuant to any reorganization of the Company;
 - (b) in connection with meeting the Company's obligations under share subscription warrants and/or options, including those rendered in Articles 2.8 and 2.11 hereof;
 - (c) in connection with the issue of Restricted Shares in accordance with Article 2.5 hereof;
 - (d) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire shares;
 - (e) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire shares;
 - (f) in connection with the issue of shares in accordance with Article 14.6; or

(g) in connection with Private Placement of the securities issued by the Company.

- 2.7** The Company shall not issue any unpaid shares or partly paid shares.
- 2.8** Notwithstanding Article 2.5 hereof, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, adopt one or more employee incentive programmes and may issue shares or options, warrants or other similar instruments, to employees of the Company and its Subsidiaries, and for the avoidance of doubt, resolution of the Members is not required.
- 2.9** Options, warrants or other similar instruments issued in accordance with Article 2.8 above are not transferable save by inheritance.
- 2.10** Directors of the Company and its Subsidiaries shall not be eligible for Restricted Shares pursuant to Article 2.5 hereof or the incentive programmes pursuant to Article 2.8 hereof, provided that directors who are also employees of the Company or its Subsidiaries may subscribe for Restricted Shares or participate in an incentive programme in their capacity as an employee and not as a director of the Company or its Subsidiaries.
- 2.11** The Company may enter into agreements with employees of the Company and/or the employees of its Subsidiaries in relation to the incentive programme approved pursuant to Article 2.8 above, whereby employees may subscribe for, within a specific period, a specific number of the shares. The terms and conditions of such agreements shall be no less restrictive on the relevant employee than the terms specified in the applicable incentive programme.
- 2.12** Without prejudice to any provisions in this Article 2, where shares are issued by the Company for purposes of changing the currency denomination of share capital of the Company as approved by the members at a general meeting (the "**Redenomination**"), to the extent that the percentage of shareholding interest of the members of the Company will not be affected and the members are not required to pay any amounts for any new shares issued in connection with the Redenomination in excess of the proceeds of any share buy back of their existing shares which are subject to the Redenomination, no further approval or consent of the Member or Members shall be required.

3. Redemption and Purchase of Shares

- 3.1** Subject to the Law, the Company is authorised to issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Member.
- 3.2** The Company is authorised to make payments in respect of the redemption of its shares

out of capital or out of any other account or fund authorised for this purpose in accordance with the Law.

- 3.3** The redemption price of a redeemable share, or the method of calculation thereof, shall be fixed by the Board at or before the time of issue.
- 3.4** Every share certificate relating to redeemable share shall indicate that the share is redeemable.
- 3.5** Subject to the Applicable Law and the Articles, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, purchase its own shares (including any redeemable shares) on such terms and in such manner as the Directors may determine and hold them as Treasury Shares in accordance with the Applicable Law PROVIDED THAT if any purchase of the Company's own shares involves any immediate cancellation of shares of the Company, such repurchase of shares is subject to approval by the Members by way of an Ordinary Resolution and the number of shares of the Company to be cancelled shall be allocated among all the Members as of the date of such cancellation on a pro rata basis (as rounded up or down to the nearest whole number as determined by the Directors) based on the then prevailing percentage of shareholding of the Members, unless otherwise provided for in the Law or the Applicable Public Company Rules.

Upon approval by Members by way of an Ordinary Resolution to repurchase and cancel shares of the Company, the repurchase price may be paid in any manner authorized by the Law, including in cash or in kind, provided that where any repurchase price is to be paid in kind, the monetary equivalent value of such payment in kind shall be (a) assessed by an ROC certified public accountant before being submitted by the Board to the Members for approval as part of the Ordinary Resolution authorising the repurchase and cancellation of shares of the Company; and (b) agreed to individually by each Member who will be receiving the repurchase price in kind. Without prejudice to this Article 3.5., in the case of a repurchase of shares by the Company for purposes of changing the currency denomination of share capital of the Company, consent of the holders of the shares subject to such repurchase shall not be required.

- 3.6** In the event that the Company proposes to purchase any share traded on the ESM or listed on the TPEX or the TSE in Taiwan pursuant to the preceding Article, the resolution of the Board approving such proposal and the implementation thereof should be reported to the Members in the next general meeting in accordance with the Applicable Public Company Rules. Such reporting obligation shall also apply even if the Company does not implement the proposal to purchase its shares traded on the ESM or listed on the TPEX or the TSE in Taiwan for any reason.

- 3.7** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Company is authorised to purchase any share traded on the ESM or listed on the TPEX or the TSE in Taiwan in accordance with the following manner of purchase:
- (a) the total price of the shares purchased by the Company shall not exceed the sum of retained earnings minus earnings distribution resolved by the Board or the general meeting, plus the following realized capital reserve:
 - (i) the premium received from the disposal of assets that has not been booked as retained earnings;
 - (ii) the premium paid on the issuance of any share and income from endowments received by the Company provided however that income from the shares shall not be included before such shares have been transferred to others;
 - (b) the maximum number of shares purchased by the Company shall not exceed ten percent of the total number of issued and outstanding shares of the Company; and
 - (c) the purchase shall be at such time, at such price and on such other terms as determined and agreed by the Board in its sole discretion provided however that:
 - (i) such purchase transactions shall be in accordance with the laws and regulations of the ROC relating to securities transactions and Applicable Public Company Rules; and
 - (ii) such purchase transactions shall be in accordance with the Law.
- 3.8** Subject to Article 3.5 and the Applicable Public Company Rules, the redemption or repurchase price may be paid in any manner permissible under the Law as determined by the Board.
- 3.9** A delay in payment of the redemption price shall not affect the redemption but, in the case of a delay of more than thirty days, interest shall be paid for the period from the due date until actual payment at a rate which the Directors, after due enquiry, estimate to be representative of the rates being offered by banks holding “A” licenses (as defined in the Banks and Trust Companies Law (Revised) of the Cayman Islands) in the Cayman Islands for thirty day deposits in the same currency.
- 3.10** The Directors may exercise as they think fit the powers conferred on the Company by Section 37(5) of the Law (payment out of capital) but only if and to the extent that the redemption could not otherwise be made (or not without making a fresh issue of shares for this purpose).

- 3.11** Subject as aforesaid, the Directors may determine, as they think fit all questions that may arise concerning the manner in which the redemption of the shares shall or may be effected.
- 3.12** No share may be redeemed unless it is fully paid.
- 3.13** The Board may designate as Treasury Shares any of its shares that it purchases or redeems, or any shares surrendered to it, in accordance with the Applicable Law.
- 3.14** No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up of the Company) may be made to the Company in respect of a Treasury Share.
- 3.15** The Company shall be entered in the Register of Members as the holder of the Treasury Shares provided that:
- (a) the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
 - (b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of the Articles or the Law.
- 3.16** After the Company purchases the shares traded on the ESM or listed on the TPEX or the TSE in Taiwan, any proposal to transfer the Treasury Shares to the employees of the Company and its Subsidiaries at a price below the average actual repurchase price must be approved by Special Resolution in the next general meeting and the items required by the Applicable Public Company Rules shall be specified in the notice of the general meeting and may not be proposed as an extemporaneous motion. The aggregate number of Treasury Shares resolved at all general meetings and transferred to the employees of the Company and its Subsidiaries shall not exceed 5% of the total issued shares, and each employee may not subscribe for more than 0.5% of the total issued shares in aggregate. The Company may prohibit such employees from transferring such Treasury Shares within a certain period; provided, however, that such a period cannot be more than two years.
- 3.17** Subject to Article 3.16 and the Applicable Public Company Rules, Treasury Shares may be disposed of by the Company on such terms and conditions in accordance with the Applicable Law as determined by the Directors.

4. Rights Attaching to Shares

Subject to Article 2.1, the Memorandum and the Articles, other contractual obligations or restrictions that the Company is bound by and any resolution of the Members to the contrary and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares, the share capital of the Company shall be divided into shares of a single class the holders of which shall, subject to the provisions of the Articles:

- (a) be entitled to one vote per share;
- (b) be entitled to such dividends as recommended by the Board and approved by the Members at general meeting;
- (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
- (d) generally be entitled to enjoy all of the rights attaching to shares.

5. Share Certificates

- 5.1** The Company may issue shares in uncertificated/scripless form or issue share certificates. Where share certificates are issued, every Member shall be entitled to a certificate issued under the Seal (or a facsimile thereof), which shall be affixed or imprinted with the authority of the Board, specifying the number and, where appropriate, the class of shares held by such Member. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means. For so long as the shares are traded on the ESM or listed on the TPEx or the TSE in Taiwan, shares of the Company shall be issued in uncertificated/scripless form unless the issuance of share certificates is required by the provisions of the Applicable Public Company Rules.
- 5.2** If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.
- 5.3** Share may not be issued in bearer form.
- 5.4** When the Company shall issue share certificates pursuant to Article 5.1 hereof, the Company shall deliver the share certificates to the subscribers within thirty (30) days from the date such share certificates may be issued pursuant to the Law, the Memorandum, the Articles, and the Applicable Public Company Rules, and shall make a public announcement prior to the delivery of such share certificates pursuant to the Applicable Public Company Rules.
- 5.5** Where the Company shall issue the shares in uncertificated/scripless form, the

Company shall comply with the Law and the Applicable Public Company Rules to handle relevant matters, and shall deliver the shares to the subscribers by book-entry transfer within thirty (30) days after the Company is permitted by applicable listing laws and regulations to issue such shares and make a public announcement prior to the delivery.

6. Preferred Shares

- 6.1** The Company may by Special Resolution designate one or more classes of shares with preferred or other special rights as the Company, by Special Resolution, may determine (shares with such preferred or other special rights, the "**Preferred Shares**"), and cause to be set forth in the Articles.
- 6.2** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the rights and obligations of Preferred Shares may include (but not limited to) the following terms and shall be consistent with the Applicable Public Company Rules:
- (a) the order of priority and fixed amount or fixed ratio of allocation of dividends and bonus on Preferred Shares;
 - (b) the order of priority and fixed amount or fixed ratio of allocation of surplus assets of the Company;
 - (c) the order of priority for or restriction on the voting right(s) (including declaring no voting rights whatsoever) of the Members holding the Preferred Shares;
 - (d) the method by which the Company is authorized or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply; and
 - (e) other matters concerning rights and obligations incidental to Preferred Shares.

REGISTRATION OF SHARES

7. Register of Members

- (a) For so long as shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Board shall cause to be kept a Register of Members which may be kept outside the Cayman Islands at such place as the Board shall appoint and which shall be maintained in accordance with the Law and the Applicable Public Company Rules.
- (b) In the event that the Company has shares that are not traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Company shall also cause to be kept a register of such shares in accordance with Section 40 of the Law.

8. Registered Holder Absolute Owner

Except as required by law:

- (a) no person shall be recognised by the Company as holding any share on any trust; and
- (b) no person other than the Member shall be recognised by the Company as having any right in a share.

9. Transfer of Registered Shares

- 9.1** Title to shares traded on the ESM or listed on the TPEX or the TSE in Taiwan may be evidenced and transferred in a manner consistent with the Applicable Public Company Rules (including through the book-entry system of the TDCC).
- 9.2** All transfers of shares which are in certificated form may be effected by an instrument of transfer in writing in any usual form or in any other form which the Board may approve and shall be executed by or on behalf of the transferor and, if the Board so requires, by or on behalf of the transferee. Without prejudice to the foregoing, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers. Notwithstanding the foregoing, an instrument of transfer shall not be required for a repurchase of shares by the Company for purposes of changing the currency of share capital of the Company.
- 9.3** The Board may refuse to recognise any instrument of transfer in respect of shares in certificated form unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.
- 9.4** The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.
- 9.5** The Board may in its absolute discretion and without assigning any reason therefor refuse to register the transfer of a share in certificated form in the event such registration of transfer would (i) conflict with the Applicable Law; or (ii) conflict with the Memorandum and/or the Articles. If the Board refuses to register a transfer of any share, the Secretary shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

10. Transmission of Registered Shares

- 10.1** In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the provisions of Section 39 of the Law, for the purpose of this Article, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.
- 10.2** Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share.
- 10.3** On the presentation of the evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration or refuse registration as stipulated in Article 9.3 hereof as it would have had in the case of a transfer of the share by that Member before such Member's death or bankruptcy, as the case may be.
- 10.4** Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to the said share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

ORDINARY RESOLUTION, SPECIAL RESOLUTION AND SUPERMAJORITY RESOLUTION

11. Alteration of Capital

- 11.1** The Company may from time to time by Ordinary Resolution alter the conditions of its Memorandum to:
- (a) increase its share capital by new shares of such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe;

- (b) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
- (c) convert all or any of its paid up shares into stock and reconvert that stock into paid up shares of any denomination;
- (d) sub-divide its existing shares, or any of them into shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares; or
- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

11.2 The Board may settle as it considers expedient any difficulty which arises in relation to any consolidation and division under the last preceding Article and in particular but without prejudice to the generality of the foregoing may issue certificates in respect of fractions of shares or arrange for the sale of the shares representing fractions and the distribution of the new proceeds of sale (after deduction of the expenses of such sale) in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to their purchaser or resolve that such net proceeds be paid to the Company for the Company's benefit. Such purchaser will not be bound to see to the application of the purchase money nor will his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

12. Special Resolution and Supermajority Resolution

12.1 Subject to the Law and the Articles, the Company may from time to time by Special Resolution:

- (a) change its name;
- (b) alter or add to the Articles;
- (c) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein;
- (d) reduce its share capital and any capital redemption reserve fund; or
- (e) effect a Merger under the Law.

- 12.2** Subject to the Law, the Company may, by Special Resolution, issue securities by way of Private Placement within the territory of the ROC in accordance with Applicable Public Company Rules; provided that, for issuance of corporate bonds which do not involve the grant of a warrant, option, or right of conversion or otherwise grant the holders of the bonds the right to acquire equity or similar rights by way of Private Placement within the territory of the ROC, the Company may do so by resolution of the Board in different tranches within one year from the date of the resolution of the Board in accordance with Applicable Public Company Rules.
- 12.3** Subject to the Law, the following actions by the Company shall require the approval of the Members by a Supermajority Resolution:
- (a) effecting any capitalization of distributable dividends and/or bonuses and/or any other amount prescribed under Article 17 hereof;
 - (b) distributing its Capital Reserve or Statutory Reserve, in whole or in part, to its existing Members in proportion to the number of shares being held by each of them in cash, provided that in the case of distribution of the Statutory Reserve (as defined in Article 14.4), only the portion of Statutory Reserve which exceeds twenty five percent (25%) of the issued share capital may be distributed;
 - (c) effecting any Merger (except for any Merger which falls within the definition of "merger" and/or "consolidation" under the Law, which requires the approval of the Company by Special Resolution only) or spin-off of the Company;
 - (d) entering into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
 - (e) the transferring of the whole or any essential part of the business or assets of the Company; or
 - (f) acquiring or assuming the whole business or assets of another person, which has a material effect on the Company's operation.
- 12.4** Subject to the Law, the Company may be wound up voluntarily:
- (a) if the Company resolves by Ordinary Resolution that it be wound up voluntarily because the Company is unable to pay its debts as they fall due; or
 - (b) if the Company resolves by Special Resolution that it be wound up voluntarily for reasons other than set out in Article 12.4(a) above.

13. Variation of Rights Attaching to Shares

If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the sanction of a Special Resolution passed at a general meeting of the holders of the shares of the class.

Notwithstanding the foregoing, if any modification or alteration in the Articles is prejudicial to the preferential rights of any class of shares, such modification or alteration shall be adopted by a Special Resolution and shall also be adopted by a Special Resolution passed at a separate meeting of Members of that class of shares. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith. To any such meeting all the provisions of the Articles relating to general meetings shall apply *mutatis mutandis*.

DIVIDENDS AND CAPITALISATION

14. Dividends

- 14.1** The Board may, subject to approval by the Members by way of Ordinary Resolution or, in the case of Article 12.3(a), Supermajority Resolution and subject to the Articles and any direction of the Company in general meeting, declare a dividend to be paid to the Members in proportion to the number of shares held by them, and such dividend may be paid in cash or shares.
- 14.2** Subject to the Applicable Law, no dividends or other distribution shall be paid except out of profits of the Company, realised or unrealised, out of share premium account or any reserve, fund or account as otherwise permitted by the Law. Except as otherwise provided by the rights attached to any shares, all dividends and other distributions shall be paid according to the number of the shares that a Member holds. If any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividends accordingly.
- 14.3** The Company, in addition to the dividends to be distributed at the end of each financial year, may distribute interim dividends to the Members on semi-year basis. If the Board decides not to distribute interim dividends, the Board shall adopt a resolution to confirm such non-distribution after the relevant first half of the financial year. The distribution of the dividends at the end of each financial year shall comply with the requirements and procedures set forth in Clauses 14.4 to 14.6 and 14.10 to 14.12 and the distribution of the dividends for the first half of the financial year shall comply the requirements and procedures set forth in Clauses 14.6 to 14.12.

- 14.4** Subject to the Law and this Article and except as otherwise provided by the rights attached to any shares, the Company may distribute profits in accordance with a proposal for profits distribution approved by the Board and sanctioned by the Members by an Ordinary Resolution, in annual general meetings.
- 14.5** Upon the final settlement of the Company in the current year, if there is "surplus profit" (as defined below), the Company shall set aside no less than one per cent (1%) as compensation to employees ("**Employees' Compensations**") and Employees' Compensations may be distributed to employees of the Company and its Subsidiaries, who meet certain qualifications. The Company shall, from the surplus profit, set aside no more than three per cent (3%) thereof as remuneration for the Directors ("**Directors' Remuneration**"). The distribution proposals in respect of Employees' Compensation and Directors' Remuneration shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors and submitted to the shareholders' meeting for report. However, if the Company has accumulated losses, the Company shall reserve an amount thereof for making up the losses before proceeding with the above-mentioned distributions and allocation. The "surplus profit" referred to above means the net profit before tax of the Company and for the avoidance of doubt, such amount is before any payment of compensation to employees and remuneration for the Directors.
- 14.6** The Company is in the growth stage. The Board shall prepare the dividend proposal by taking into account the profit of the year, overall development, financial plans, capital requirements, the industry and the Company's prospects and perspectives and so on and submit the proposal for the Members' approval. For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, if there are profits, in making the profits distribution recommendation, the Board shall set aside out of the profits of the Company for each financial year: (i) a reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses incurred in previous years; (iii) ten per cent (10%) as reserve ("**Statutory Reserve**"); and (iv) a special surplus reserve as required by the applicable securities authority of the ROC under the Applicable Public Company Rules.

The remaining balance, if any, together with a part or whole of accumulated undistributed profits in the previous years, subject to the Law and the Applicable Public Company Rules and after having considered the financial, business and operational factors of the Company, may be distributed as dividends to Members in proportion to their shareholdings in the amount of no less than ten per cent (10%) of profit after tax of the relevant year. In the event that dividends are distributed to Members in a combination of share dividend and cash dividend, cash dividend shall be no less than ten per cent (10%) of the total dividends.

- 14.7** The Company may distribute interim dividend in accordance with a proposal for profits distribution approved by the Board, provided that if the interim dividend will be distributed by way of applying such sum in paying up in full unissued shares, in addition to the approval of the Board, such distribution shall also be sanctioned by the Members by a Supermajority Resolution in a general meeting.
- 14.8** For the distribution of interim dividends, the proposal of surplus earning distribution or loss off-setting for the first half of the financial year, together with the business report and financial statements (which shall be audited or reviewed by a certified public accountant in accordance with the Applicable Public Company Rules), shall be submitted to the Audit Committee for approval, and then, be submitted to the Board for approval.
- 14.9** When the Company makes the interim distribution, the Company shall (a) estimate and reserve all payable taxes, (b) offset losses incurred in previous years, and (c) reserve the Statutory Reserve (unless the Statutory Reserve has reached the total paid-up capital of the Company).
- 14.10** The Board shall fix any date as the record date for determining the Members entitled to receive any dividend or other distribution.
- 14.11** For the purpose of determining Members entitled to receive payment of any dividend or other distributions, the Directors may provide that the Register of Members be closed for transfers for five (5) days before the relevant record date or such other period consistent with the Applicable Public Company Rules subject to compliance with the Law.
- 14.12** No unpaid dividend shall bear interest as against the Company.

15. Reserve and Power to Set Aside Profits

- 15.1** The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such sum as it thinks proper as a reserve to be used to meet contingencies or for meeting the deficiencies for implementing dividend distribution plans or for any other purpose to which those funds may be properly applied. Pending application, such sums may be in the absolute discretion of the Board either be employed in the business of the Company or invested in such investment as the Board may from time to time think fit, and need not be kept separate from other assets of the Company. The Board may also, without placing the same to reserve, carry forward any profit which it decides not to distribute.

15.2 Subject to any direction from the Company in general meeting, the Board may on behalf of the Company exercise all the powers and options conferred on the Company by the Law in regard to the reserve. Subject to compliance with the Applicable Law and these Articles, the Board may on behalf of the Company set off accumulated losses against credits standing in the reserve and make distributions out of the reserve.

16. Method of Payment

16.1 Any dividend, interest, or other monies payable in cash in respect of the shares may be paid by wire transfer to the Member's designated account or by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members, or to such person and to such address as the holder may in writing direct.

16.2 In the case of joint holders of shares, any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or draft sent through the post directed to the address of the holder first named in the Register of Members, or to such person and to such address as the holder may in writing direct. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend paid in respect of such shares.

16.3 For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the payment of any dividend shall comply with the Applicable Public Company Rules and the Law.

17. Capitalisation

Subject to the Applicable Law and Article 12.3(a), the Board may, with the authority of a Supermajority Resolution, capitalise any sum for the time being standing to the credit of the Capital Reserve, or any sum standing to the credit of the Statutory Reserve which exceeds twenty five per cent (25%) of the issued share capital or any sum standing to the credit of other reserves which are available and permitted for distribution under Applicable Public Company Rules by applying such sum in paying up unissued shares to be allotted as fully paid shares to the Members in proportion to their respective shareholdings in the Company.

MEETINGS OF MEMBERS

18. Annual General Meetings

18.1 The Company shall hold a general meeting as its annual general meeting within six months following the end of each fiscal year, which shall be called by the Board.

18.2 Subject to Article 18.1, the annual general meeting of the Company may be held at such

time and place as the Board shall determine. **18.3** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, unless otherwise provided by the Law, the general meetings shall be held in the ROC. If the Board resolves to hold a general meeting outside the ROC, the Company shall apply for the approval of the TSE/TPEX within two days after the Board adopts such resolution. Where a general meeting is to be held outside the ROC, the Company shall engage a professional stock affairs agent in the ROC to handle the administration of such general meeting (including but not limited to the handling of the voting of proxies submitted by Members).

19. Extraordinary General Meetings

- 19.1** General meetings other than annual general meetings shall be called extraordinary general meetings.
- 19.2** The Board may convene an extraordinary general meeting of the Company whenever in their judgment such a meeting is necessary or is desirable.
- 19.3** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Board shall on a Member's requisition as defined in Article 19.4 forthwith proceed to convene an extraordinary general meeting of the Company.
- 19.4** A Member's requisition set forth in Article 19.3 is a requisition of one or more Members of the Company holding in the aggregate at the date of deposit of the requisition not less than three per cent (3%) of the total number of issued shares of the Company which as at that date have been held by such Member(s) for at least one year.
- 19.5** The Member's requisition must state in writing the matters to be discussed at the extraordinary general meeting and the reason therefor.
- 19.6** If the Board does not within fifteen (15) days from the date of the deposit of the Member's requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting in the same manner, as nearly as possible, as that in which general meetings may be convened by the Board. If it is proposed that the extraordinary general meeting be held outside the ROC, an application shall be submitted by such requisitionists to the TSE/TPEX for its prior approval.
- 19.7** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, any one or more Member(s) may summon an extraordinary general meeting,

provided that such Member or Members shall hold more than fifty per cent. of the total issued shares of the Company for a continuous period of no less than three months. The number of the shares held by a Member and the period of which a Member holds such shares, shall be calculated and determined based on the Register of Members as of the first day of the period that the Register of Members shall be closed for transfers.

- 19.8** If the Board does not or is unable to convene a general meeting (including the annual general meeting) or it is for the Company's benefit, the Independent Director may convene a general meeting when he/she in his/her absolute discretion deems necessary.

20. Notice

- 20.1** Before the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, at least five days' notice of a general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of business to be conducted at the meeting.
- 20.2** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, at least thirty (30) days' notice of an annual general meeting, and at least fifteen days' notice of an extraordinary general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of the business to be considered at the meeting. The notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior written consent from the recipient(s) thereof.
- 20.3** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Board shall fix a record date for determining the Members entitled to receive notice of and to vote at any general meeting of the Company in accordance with Applicable Public Company Rules and close its Register of Members accordingly in accordance with Applicable Public Company Rules.
- 20.4** Subject to Article 23.4, the accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- 20.5** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Company shall announce to the public the notice of a general meeting, the proxy instrument, agendas and materials relating to the matters to be reported and discussed in the general meetings, including but not limited to, election or discharge of Directors, in accordance with Article 20.2 hereof, and shall transmit the same via the Market Observation Post System in accordance with Applicable Public Company Rules. If the voting power of a Member at a general meeting shall be exercised by way of a

written ballot, the Company shall also send the written document for the Member to exercise his voting power together with the above mentioned materials in accordance with Article 20.2. The Directors shall prepare a meeting handbook of the relevant general meeting and supplemental materials, which will be made available to all Members and shall be transmitted to the Market Observation Post System in accordance with the Applicable Public Company Rules.

20.6 For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the following matters shall be stated in the notice of a general meeting, with a summary of the major content to be discussed, and shall not be proposed as an extemporary motion:

- (a) election or discharge of Directors,
- (b) alteration of the Memorandum or Articles,
- (c) capital deduction,
- (d) application to terminate the public offering of the shares,
- (e) (i) dissolution, Merger or spin-off, (ii) entering into, amending, or terminating any Lease Contract, Management Contract or Joint Operation Contract, (iii) transfer of the whole or any essential part of the business or assets of the Company, and (iv) acquisition or assumption of the whole of the business or assets of another person, which has a material effect on the operations of the Company,
- (f) ratification of an action by Director(s) who engage(s) in business for himself or on behalf of another person that is within the scope of the Company's business,
- (g) distribution of the whole or part of the surplus profit of the Company in the form of new shares, capitalization of Capital Reserve and any other amount in accordance with Article 17,
- (h) making distributions of new shares or cash out of the Statutory Reserve , the premium received on the issuance of any shares and income from endowments received by the Company to its Members, and
- (i) Private Placement of any equity-related securities to be issued by the Company.

The major content of the above matters can be announced at the website designated by the ROC securities authority or by the Company, and the Company shall specify the link to the website in the notice of the relevant general meeting.

- 20.7** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Board shall keep the Memorandum and Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the Registered Office (if applicable) and the Company's stock affairs agent located in the ROC. Members may request, from time to time, by submitting document(s) evidencing his interests involved and indicating the designated scope of the inspection, access to inspect, review or make copies of the foregoing documents. If the relevant documents are kept by the Company's stock affairs agent, upon the request of any Member, the Company shall order the Company's stock affairs agent to provide such Member with the requested documents.
- 20.8** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Company shall make available all the statements and records prepared by the Board and the report prepared by the Audit Committee which will be submitted to the Members at the annual general meeting at the Registered Office (if applicable) and its stock affairs agent located in the ROC ten (10) days prior to such annual general meeting in accordance with Applicable Public Company Rules. Members may inspect and review the foregoing documents from time to time and may be accompanied by their lawyers or certified public accountants for the purpose of such inspection and review.
- 20.9** If the general meeting is convened by the Board and other person entitled to convene a general meeting in accordance with these Articles or any applicable law, the Board and such person may request the Company or the Company's stock affairs agent to provide the Register of Members. Upon the request, the Company shall (and shall order the Company's stock affairs agent to) provide the Register of Members.

21. Giving Notice

- 21.1** Any Notice or document, whether or not to be given or issued under the Articles from the Company to a Member, shall be in writing either by delivering it to such Member in person or by sending it by letter mail or courier service to such Member at his registered address as appearing in the Register of Members or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address. For the purposes of this Article, a notice may be sent via electronic means if so agreed to by the shareholder in writing.
- 21.2** Any Notice or other document shall be deemed to be effective when it is sent in accordance with Articles 20 and 21 of these Articles. Any Notice or document may be given to a Member either in the Chinese language or the English language, subject to due compliance with all Applicable Law, rules and regulations.

This Article shall apply *mutatis mutandis* to the service of any document by a Member on the Company under the Articles.

22. Postponement of General Meeting

The Board may postpone any general meeting called in accordance with the provisions of the Articles provided that notice of postponement is given to each Member before the time for such meeting. A notice stating the date, time and place for the postponed meeting shall be given to each Member in accordance with the provisions of the Articles provided that in the event that the Members resolve to postpone the general meeting to a specified date which is not more than five days, Articles 20.1, 20.2, 20.3, 20.4, 20.5, 20.6 and 21 do not apply and notice of the adjournment shall not be required.

23 Quorum and Proceedings at General Meetings

23.1 No resolutions shall be adopted unless a quorum is present. Unless otherwise provided for in the Articles, Members present in person or by proxy or in the case of a corporate Member, by corporate representative, representing more than one-half of the total issued shares of the Company entitled to vote, shall constitute a quorum for any general meeting.

23.2 For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Board shall submit business reports, financial statements and proposals for distribution of profits or allocation of losses prepared by it for the purposes of annual general meetings of the Company for ratification by the Members in a manner consistent with the Applicable Public Company Rules. After ratification by the Members at the general meeting, the Board shall distribute copies of or announce to the public the ratified financial statements and the Company's resolutions on distribution of profits or allocation of losses, to each Member or otherwise make the same available to the Members in accordance with the Applicable Public Company Rules.

23.3 Unless otherwise provided in the Articles, a resolution put to the vote of the meeting shall be decided on a poll.

23.4 For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, if and to the extent permitted under the Law, nothing in the Articles shall prevent any Member from initiating proceedings in a court of competent jurisdiction for an appropriate remedy in connection with the convening of any general meeting or the passage of any resolution in violation of applicable laws or regulations or the Articles within 30 days after passing of such resolution. The Taiwan Taipei District Court, ROC, may be the court for adjudicating any disputes arising out of the foregoing.

- 23.5** Unless otherwise expressly required by the Law, the Memorandum or the Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Members at any general meeting may be passed by an Ordinary Resolution.
- 23.6** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, member(s) holding one per cent (1%) or more of the Company's total issued shares immediately prior to the relevant book close period, during which the Company closed its Register of Members, may propose to the Company in writing or any electronic means designated by the Company one matter for discussion at an annual general meeting. The Company shall give a public notice in such manner and at such time as permitted by Applicable Law specifying the place and a period of not less than ten (10) days for Members to submit proposals. Proposals submitted for discussion at an annual general meeting shall be included in the agenda of the annual general meeting by the Board unless (a) the proposing Member(s) holds less than one cent (1%) of the Company's total issued shares, (b) the matter of such proposal may not be resolved by a general meeting or the proposal exceeds 300 Chinese words; (c) the proposing Member(s) has proposed more than one proposal; or (d) the proposal is submitted to the Company outside the period fixed and announced by the Company for accepting Member(s)' proposal(s). If the purpose of the proposal is to urge the Company to promote public interests or fulfil its social responsibilities, the Board may accept such proposal to be discussed in general meeting.
- 23.7** The rules and procedures of general meetings shall be established by the Board and approved by an Ordinary Resolution, and such rules and procedures shall be in accordance with the Law, these Articles and the Applicable Public Company Rules.

24. Chairman to Preside

- 24.1** In the event that the general meeting is convened by the Board, the Chairman shall act as chairman at all meetings of the Members at which such person is present. In his absence the Directors who are present at the meeting of Members shall elect one from among themselves to act as the chairman at such meeting in lieu of the Chairman.
- 24.2** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the chairman at all meetings of the Members shall be appointed or elected in accordance with the Applicable Public Company Rules.

25. Voting on Resolutions

- 25.1** Subject to any rights, privileges or restrictions attached to any share, every Member who (being an individual) is present in person or by proxy or (in the case of a corporation or other non-natural person) by duly authorized corporate representative(s)

or by proxy shall have one vote for every share of which he is the holder. A Member who holds shares for benefit of others, need not use all his votes or cast all the votes he holds in the same way as he uses his votes in respect of shares he holds for himself. The qualifications, scope, methods of exercise, operating procedures and other matters with respect to exercising voting power separately shall comply with the Applicable Public Company Rules.

- 25.2** No person shall be entitled to vote at any general meeting or at any separate meeting of the holders of a class of shares unless he is registered as a Member on the record date for such meeting nor unless he has paid all the calls on all shares held by such Member.
- 25.3** Votes may be cast either in person or by proxy. A Member may appoint another person as his proxy by specifying the scope of appointment in the proxy instrument prepared by the Company to attend and vote at a general meeting, provided that a Member may appoint only one proxy under one instrument to attend and vote at such meeting.
- 25.4** Subject to the Law, for so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Board may determine that the voting power of a Member at a general meeting may be exercised by way of a written ballot or by way of electronic transmission; provided, however, that the Company shall provide the Members with a method for exercising their voting power by way of a written ballot or electronic transmission if a general meeting is to be held outside the ROC or otherwise required under the Applicable Public Company Rules. The method for exercising such voting power shall be described in the general meeting notice to be given to the Members if the voting power may be exercised by way of a written ballot or electronic transmission. Any Member who intends to exercise his voting power by way of a written ballot or by way of electronic transmission shall serve the Company with his voting decision at least two (2) days prior to the date of such general meeting. Where more than one voting decision are received from the same Member by the Company, the first voting decision shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous voting decision in the later-received voting decision. A Member who exercises his voting power at a general meeting by way of a written ballot or by electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to vote his shares at the general meeting only in the manner directed by his written instrument or electronic document. The chairman of the general meeting as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electronic document and/or any amendment to resolution(s) proposed at the said general meeting. For the purpose of clarification, such Members voting in such manner shall be deemed to have waived their voting rights with respect to any

extemporary matters or amendment to resolution(s) proposed at the general meeting.

25.5 In the event any Member who intended to exercise his voting power by way of a written ballot or electronic transmission and has served his voting decision on the Company pursuant to Article 25.4 hereof later intends to attend the general meetings in person, he shall, at least two (2) days prior to the date of such general meeting, serve the Company with a separate notice revoking his previous voting decision. Such separate notice shall be sent to the Company in the same manner (e.g., by courier, registered mail or electronic transmission, as applicable) as the previous voting decision under Article 25.4 was given to the Company. Votes by way of a written ballot or electronic transmission shall remain valid if the relevant Member fails to revoke his voting decision before the prescribed time.

25.6 A Member who has served the Company with his voting decision in accordance with Article 25.4 for the purpose of exercising his voting power by way of a written ballot or by way of electronic transmission may appoint a person as his proxy to attend the meeting in accordance with the Articles, in which case the vote cast by such proxy shall be deemed to have revoked his previous voting decision served on the Company and the Company shall only count the vote(s) cast by such expressly appointed proxy at the meeting.

26. Proxies

26.1 The instrument of proxy shall be in the form approved by the Board from time to time and be expressed to be for a particular meeting only. The form of proxy shall include at least the following information: (a) instructions on how to complete such proxy, (b) the matters to be voted upon pursuant to such proxy, and (c) basic identification information relating to the relevant Member, proxy and the solicitor (if any). The form of proxy shall be provided to the Members together with the relevant notice for the relevant general meeting, and such notice and proxy materials shall be distributed to all Members on the same day.

26.2 An instrument of proxy shall be in writing, be executed under the hand of the appointor, or, if the appointor is a corporation or other non-natural person, under the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Member of the Company.

26.3 For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, subject to the Applicable Public Company Rules, except for an ROC trust enterprise or stock affair agents approved pursuant to Applicable Public Company Rules, save with respect to the Chairman being deemed appointed as proxy under Article 25.4,

in the event a person acts as the proxy for two or more Members, the total number of issued and voting shares entitled to be voted as represented by such proxy shall be no more than three per cent (3%) of the total number of issued and voting shares of the Company immediately prior to the relevant book closed period, during which the Company close its Register of Member; any vote in respect of the portion in excess of such three per cent (3%) threshold shall not be counted.

26.4 In the event that a Member exercises his voting power by way of a written ballot or electronic transmission and has also authorised a proxy to attend a general meeting, then the voting power exercised by the proxy at the general meeting shall prevail. In the event that any Member who has authorised a proxy to attend a general meeting later intends to attend the general meeting in person or to exercise his voting power by way of a written ballot or electronic transmission, he shall, at least two (2) days prior to the date of such general meeting, serve the Company with a separate notice revoking his previous appointment of the proxy. Votes by way of proxy shall remain valid if the relevant Member fails to revoke his appointment of such proxy before the prescribed time.

26.5 The instrument of proxy shall be deposited at the Registered Office or the office of the Company's stock affairs agent in the ROC or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company not less than five (5) days before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, save with respect to the Chairman being deemed appointed as proxy under Article 25.4. Where more than one instrument to vote are received from the same Member by the Company, the first instrument received shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous proxy in the later-received instrument.

27. Proxy Solicitation

For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the use and solicitation of proxies shall be in compliance with the Applicable Public Company Rules, including but not limited to "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."

28. Dissenting Member's Appraisal Right

28.1 Subject to compliance with the Law, in the event any of the following resolutions is passed at general meetings, any Member who has notified the Company in writing of his objection to such matter prior to the meeting and has raised again his objection at the meeting, may request the Company to purchase all of his shares at the then prevailing

fair price:

- (a) the Company proposes to enter into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
- (b) the Company transfers the whole or an essential part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company; or
- (c) acquires or assumes the whole business or assets of another person, which has a material effect on the operation of the Company.

28.2 In the event any part of the Company's business is spun off or involved in any Merger, any Member, who has abstained from voting in respect of such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the general meeting approving such spin off or Merger, may request the Company to purchase all of his shares at the then prevailing fair price.

29. Shares that May Not be Voted

29.1 Shares held:

- (a) by the Company itself;
- (b) by any entity in which the Company owns, legally or beneficially, more than fifty per cent (50%) of its total issued and voting share or share capital; or
- (c) by any entity in which the Company, together with (i) the holding company of the Company and/or (ii) any Subsidiary of (a) the holding company of the Company or (b) the Company owns, legally or beneficially, directly or indirectly, more than fifty per cent (50%) of its issued and voting share or share capital.

shall not carry any voting rights nor be counted in the total number of issued shares at any given time but only for so long as the circumstances as set out in sub-paragraphs (a) to (c) (as applicable) above continue.

29.2 A Member who has a personal interest in any motion discussed at a general meeting, which interest may be in conflict with and impair those of the Company, shall abstain from voting such Member's shares in regard to such motion and such shares shall not be counted in determining the number of votes of the Members present at the said meeting. However, such shares may be counted in determining the number of shares of the Members present at such general meeting for the purposes of determining the quorum. The aforementioned Member shall also not vote on behalf of any other Member.

29.3 For so long as the shares are traded on the ESM or listed on the TPEx or the TSE in Taiwan, if the number of shares pledged by a Director at any time amounts to more than

50% of the total shares held by such Director at the time of his latest appointment, such pledged shares exceeding 50% of the total shares held by such Director at the time of his latest appointment, up to 50% of the total number of shares held by the Director at the time of his latest appointment, shall not carry any voting rights and such above-threshold shares shall not be counted in determining the number of votes of the Members present at a general meeting but shall be counted towards the quorum of the general meeting.

30. Voting by Joint Holders of Shares

In the case of joint holders, the joint holders should appoint among themselves one person to exercise the rights of a shareholder pursuant to the Applicable Public Company Rules. In case no agreement is reached among the joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

31. Representation of Corporate Member

31.1 A corporation or non-natural person which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting of the Members and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation or such non-natural person which such person represents as that corporation or non-natural person could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

31.2 Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation or non-natural person which is a Member.

32. Adjournment of General Meeting

The chairman of a general meeting may, with the consent of a majority in number of the Members present at any general meeting at which a quorum is present, and shall if so directed, adjourn the meeting. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned and the meeting is adjourned for more than five (5) days, a notice stating the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat in accordance with the provisions of the Articles.

33. Directors Attendance at General Meetings

The Directors of the Company shall be entitled to receive notice of, attend and be heard at any general meeting.

DIRECTORS AND OFFICERS

34. Number and Term of Office of Directors

- 34.1** There shall be a Board consisting of no less than five (5) and no more than nine (9) persons. The term of office for each Director shall not exceed a period of three (3) years provided that in the event the expiration of the term of office of such Directors would otherwise leave the Company with no Directors, the term of office of such Directors shall be extended automatically to the date of the general meeting next following the expiration of such term, at which new Directors will be elected to assume office. Directors may be eligible for re-election. The Company may from time to time by Special Resolution increase or reduce the number of Directors, subject to the foregoing and the Applicable Law.
- 34.2** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the number of Directors having a spousal relationship or familial relationship within the second degree of kinship with any other Directors shall be less than half of the total number of Directors.
- 34.3** In the event that the Company convenes a general meeting for the election of Directors and any of the Directors elected does not meet the requirements provided in Article 34.2 hereof, the non-qualifying Director(s) who was elected with the fewest number of votes shall be deemed not to have been elected, to the extent necessary to meet the requirements provided for in Article 34.2 hereof. Any person who has already served as a Director but is in violation of the aforementioned requirements shall be automatically discharged from his office effective from such violation without any action required on behalf of the Company.
- 34.4** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors and the number of Independent Directors shall not be less than one-fifth of the total number of Directors. To the extent required by the Applicable Public Company Rules, at least one of the Independent Directors shall be domiciled in the ROC and at least one of them shall have accounting or financial expertise. Before the shares are listed on the TPEX or the TSE in Taiwan, the Board may resolve that the Company shall hold an election of Independent Director(s) at the general meeting.
- 34.5** The Directors (including Independent Directors and Non-Independent Directors) may be

nominated by adopting the candidate nomination system specified in the Applicable Public Company Rules provided that the Independent Directors shall be nominated by adopting the candidate nomination system specified in the Applicable Public Company Rules for so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan.

34.6 Independent Directors shall have professional knowledge and shall maintain independence within the scope of their directorial duties, and shall not have any direct or indirect interests in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions, and assessment of independence with respect to Independent Directors shall be consistent with the Applicable Public Company Rules.

35. Election of Directors

35.1 The Company may at a general meeting elect any person to be a Director, which vote shall be calculated in accordance with Article 35.2 below. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to elect one or more Directors.

35.2 The Director(s) shall be elected 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:

- (a) 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;
- (b) the Member(s) may vote all or part of their cumulated votes in respect of one or more Director candidates;
- (c) such number of Director candidates receiving the highest number of votes in the same category (namely, independent or non-independent) of Directors to be elected shall be appointed; and
- (d) where two or more Director candidates in the same category receive the same number of votes and as a result the total number of new Directors in such category intended to be appointed is exceeded, there shall be a draw by such Director candidates receiving the same number of votes to determine who shall be appointed; the chairman of the meeting shall draw for a Director nominated for appointment who is not present at the general meeting.

35.3 For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, if the number of Independent Directors is less than three (3) persons due to the

resignation or removal of such Independent Directors for any reason, the Company shall hold an election of Independent Directors at the next following general meeting. If all of the Independent Directors are resigned or removed, the Board shall hold, within sixty (60) days from the date of resignation or removal of last Independent Director, a general meeting to elect succeeding Independent Directors to fill the vacancies.

35.4 For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, if the number of Directors is less than seven (7) persons due to the vacancy of Director(s) for any reason, the Company shall call an election of Director(s) at the next following general meeting to fill the vacancies. When the number of vacancies in the Board of the Company equals to one third of the total number of Directors elected, the Board shall hold, within sixty (60) days from the date of the occurrence of vacancies, a general meeting to elect succeeding Directors to fill the vacancies.

35.5 Any corporation (or other legal entity) which is a Member shall be entitled to appoint such person or persons as its representative to be elected as a Director (the "**Appointed Representative**"). The election of an Appointed Representative as a Director is subject to the approval of Members in accordance with the provisions of this Article 35.

35.6 Where the Appointed Representative has been elected as a Director of the Company, the corporation (or other legal entity) which is a Member which has appointed the Appointed Representative to be elected as a Director, may at any time, serve notice on the Company giving notice to replace the Appointed Representative with another person. Such replacement of the Appointed Representative as a Director (the "**Replacement**") shall take effect from the date specified in the notice or in the absence of such date, from the date on which the notice was served on the Company, and will not require any shareholders' approval. Accordingly, Articles 35.1, 35.2 and 35.5 do not apply in respect of the Replacement.

36. Removal of Directors

36.1 The Company may from time to time by Supermajority Resolution remove any Director from office. Where re-election of all Directors is effected prior to the expiration of the term of office of existing Directors, the term of office of all current Directors is deemed to have expired on the date of the re-election or any other date as otherwise resolved by the Members at the general meeting if the Members do not resolve that all current Directors will only retire at the expiration of their present term of office. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to re-elect all Directors. If the term of office of all Directors expires at the same time and no general meeting was held before such expiry for re-election, their term of office shall continue and be extended to

such time when new Directors are elected or re-elected in the next general meeting and they commence their office.

36.2 For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, in case a Director has, in the course of performing his duties, committed any act resulting in material damages to the Company or is in serious violation of applicable laws, regulations and/or the Articles, but has not been removed by a Supermajority Resolution, the Member(s) holding three per cent (3%) or more of the total number of issued shares of the Company may, within thirty (30) days after such general meeting, to the extent permissible under Applicable Law, institute a lawsuit to remove such Director. The Taiwan Taipei District Court, ROC, may be the court of for this matter.

37. Vacation of Office of Director

37.1 The office of Director shall be vacated:

- (a) if the Director is removed from office pursuant to the Articles;
- (b) if the Director dies;
- (c) if the Director is automatically discharged from his office in accordance with Article 34.3;
- (d) if the Director resigns his office by notice in writing to the Company;
- (e) if the Director is the subject of a court order for his removal in accordance with Article 36.2; or
- (f) with immediate effect without any action required on behalf of the Company if
 - (i) the Director has been adjudicated bankrupt or the court has declared a liquidation process in connection with the Director, and such Director has not been reinstated to his rights and privileges;
 - (ii) an order is made by any competent court or official on the grounds that the Director has no legal capacity, or his legal capacity is restricted according to Applicable Law;
 - (iii) the Director has been adjudicated of the commencement of assistantship (as defined under the ROC Civil Code) or similar declaration and such assistantship/declaration has not been revoked yet;
 - (iv) the Director has committed an offence as specified in the ROC statute of prevention of organizational crimes and subsequently has been adjudicated guilty by a final judgment, and (A) has not started serving the sentence, (B)

has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than five years, or (D) was pardoned for less than five years;

(v) the Director has committed an offence in terms of fraud, breach of trust or misappropriation and subsequently has been punished with imprisonment for a term of more than one year, and (A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than two years, or (D) was pardoned for less than two years;

(vi) the Director has been adjudicated guilty by a final judgment for committing offenses under the ROC Anti-Corruption Act, and (A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than two years, or (D) was pardoned for less than two years; or

(vii) the Director has been dishonored for use of credit instruments, and the term of such sanction has not expired yet.

In the event that any of the foregoing events specified in Article 37(f) has occurred in relation to a candidate for election of Director, such person shall be disqualified from being elected as a Director.

37.2 In case a Director (other than an Independent Director) has, during the term of office as a Director, transferred more than one half of the Company's shares being held by him at the time he is elected, he shall, ipso facto, be removed automatically from the position of Director with immediate effect and no shareholders' approval shall be required.

37.3 If any Director (other than an Independent Director) has, after having been elected as a Director and before his inauguration of the office of director, transferred more than one half of the Company's shares being held by him at the time of his election as a Director, then he shall immediately cease to be a Director and no shareholders' approval shall be required. If any Director (other than an Independent Director) has, after having been elected as a Director, transferred more than one half of the Company's shares then being held by him within the share transfer prohibition period prior to a shareholders' meeting according to the Applicable Public Company Rules, then he shall immediately cease to be a Director and no shareholders' approval shall be required.

38. Compensation of Directors

- 38.1** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Board shall, in accordance with the Applicable Public Company Rules, establish a Compensation Committee comprised of at least three members, one of whom shall be an Independent Director. The professional qualifications of the members of the Compensation Committee, the responsibilities, powers and other related matters of the Compensation Committee shall comply with the Applicable Public Company Rules. Upon the establishment of the Compensation Committee, the Board shall, by a resolution, adopt a charter for the Compensation Committee the provisions of which shall be consistent with the Applicable Public Company Rules. Before the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Board may resolve to establish a Compensation Committee.
- 38.2** The compensation referred in the preceding Article shall include the compensation, stock option and other incentive payments of Directors and managers of the Company.
- 38.3** The compensation of the Directors may be decided by the Board by reference to recommendation made by the Compensation Committee (if established), the standard generally adopted by other enterprises in the same industry, and shall be paid in cash only. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally. A Director is also entitled to distribution of profits of the Company if permitted by the Law, the Applicable Public Company Rules, the service agreement or other similar contract that he/she has entered into with the Company.

39. Defect in Election of Director

Subject to Article 23.4 and the Applicable Law, all acts done in good faith by the Board or by a committee of the Board or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the election of any Director, or that they or any of them were disqualified, be as valid as if every such person had been duly elected and was qualified to be a Director.

40. Directors to Manage Business

The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Law or by the Articles, required to be exercised by the Company in general meeting subject, nevertheless, to the Articles, the provisions of the Law, and to such directions as may be prescribed by the Company in general meeting.

41. Powers of the Board of Directors

Without limiting the generality of Article 40 and subject to the Applicable Law, the Board may:

- (a) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their compensation and determine their duties;
- (b) exercise all the powers of the Company to borrow money and to mortgage or charge or otherwise grant a security interest in its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;
- (c) appoint one or more Directors to the office of managing director or chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;
- (d) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;
- (e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney. Such attorney may, if so authorised, execute any deed or instrument in any manner permitted by the Law;
- (f) procure that the Company pays all expenses incurred in promoting and incorporating the Company;
- (g) delegate any of its powers (including the power to sub-delegate) to a committee of one or more persons appointed by the Board and every such committee shall conform to such directions as the Board shall impose on them. Subject to any directions or regulations made by the Directors for this purpose, the meetings and proceedings of any such committee shall be governed by the provisions of the Articles regulating the meetings and proceedings of the Board;

- (h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board sees fit;
- (i) present any petition and make any application in connection with the liquidation or reorganisation of the Company;
- (j) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and
- (k) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any agreement, document or instrument on behalf of the Company.

42. Register of Directors and Officers

42.1 The Board shall cause to be kept in one or more books at the Registered Office a Register of Directors and Officers in accordance with the Law and shall enter therein the following particulars with respect to each Director and Officer:

- (a) first name and surname; and
- (b) address.

42.2 The Board shall, within the period of thirty days from the occurrence of:-

- (a) any change among its Directors and Officers; or
- (b) any change in the particulars contained in the Register of Directors and Officers, cause to be entered on the Register of Directors and Officers the particulars of such change and the date on which such change occurred, and shall notify the Registrar of Companies in accordance with the Law.

43. Officers

The Officers shall consist of a Secretary and such additional Officers as the Board may determine all of whom shall be deemed to be Officers for the purposes of the Articles.

44. Appointment of Officers

The Secretary (and additional Officers, if any) shall be appointed by the Board from time to time.

45. Duties of Officers

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

46. Compensation of Officers

The Officers shall receive such compensation as the Board may determine.

47. Conflicts of Interest

47.1 Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to compensation as if such Director were not a Director; provided that this Article 47.1 shall not apply to Independent Directors.

47.2 Notwithstanding anything to the contrary contained in this Article 47, a Director who is directly or indirectly interested in any matter under discussion at a meeting of the Directors or a contract or proposed contract or arrangement with the Company shall declare the nature and the essential contents of such interest at the relevant meeting of the Directors as required by the Applicable Law. Where the spouse, the person related to a Director by blood and within the second degree (as defined under the ROC Civil Code), or any company which has a controlling or controlled relationship with a Director has interests in the matters under discussion in the meeting of the Directors, such Director shall be deemed to have a personal interest in the matter. The terms "controlling" and "controlled" shall be interpreted in accordance with the Applicable Public Company Rules.

47.3 Notwithstanding anything to the contrary contained in this Article 47, a Director who has a personal interest in the matter under discussion at a meeting of the Directors, which may conflict with and impair the interest of the Company, shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting.

47.4 Notwithstanding anything to the contrary contained in this Article 47, a Director who is engaged in anything on his own account or on behalf of another person, which is within the scope of the Company's business, shall explain to the Members in a general meeting the essential contents of such conduct and seek their approval by Supermajority Resolution.

48. Indemnification and Exculpation of Directors and Officers

48.1 The Directors and Officers of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and every former director, officer or trustee and their respective heirs, executors, administrators, and personal representatives

(each of which persons being referred to in this Article as an "indemnified party") shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud, dishonesty or breach of duties provided under Article 48.4 which may attach to any of the said persons.

48.2 The Company may purchase and maintain insurance for the benefit of any Director or Officer of the Company against any liability incurred by him in his capacity as a Director or Officer of the Company or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any Subsidiary thereof.

48.3 To the extent permitted under the laws of the Cayman Islands, Members continuously holding one per cent (1%) or more of the total issued shares of the Company for six months or longer may:

- (a) request in writing the Board to authorise any Independent Director of the Audit Committee to file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors; or
- (b) request in writing any Independent Director of the Audit Committee to file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors; or

the Member(s) may, to the extent permitted under the laws of the Cayman Islands, file a petition with the Taipei District Court, ROC for and on behalf of the Company against the relevant Directors within thirty (30) days after such Member(s) having made the request under the preceding clause (a) or (b) if (i) in the case of clause (a), the Board fails to make such authorisation or the Independent Director of the Audit Committee having been authorised by the Board fails to file such petition, or (ii) in the case of

clause (b), the Independent Director of the Audit Committee fails to file such petition.

48.4 Without prejudice and subject to the general directors' duties that a Director owe to the Company and its shareholders under common law principals and the laws of the Cayman Islands, a Director shall perform his fiduciary duties of loyalty and due care of a good administrator in the course of conducting the Company's business, and shall indemnify the Company, to the maximum extent legally permissible, from any loss incurred or suffered by the Company arising from breach of his fiduciary duties. If a Director has made any profit for the benefit of himself or any third party as a result of any breach of his fiduciary duties, the Company shall, if so resolved by the Members by way of an Ordinary Resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover such profit from such relevant Director. If a Director has, in the course of conducting the Company's business, violated any laws or regulations that causes the Company to become liable for any compensation or damages to any person, such Director shall become jointly and severally liable for such compensation or damages with the Company and if any reason such Director is not made jointly and severally liable with the Company, such Director shall indemnify the Company for any loss incurred or suffered by the Company caused by a breach of duties by such Director. The Officers, in the course of performing their duties to the Company, shall assume such duties and obligations to indemnify the Company in the same manner as if they are Directors.

MEETINGS OF THE BOARD OF DIRECTORS

49. Board Meetings

49.1 Board meetings shall be convened by the Chairman, and the Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit.

49.2 The Company shall hold regular meetings of the Board at least on a quarterly basis and for so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, such meetings shall be held in compliance with the Applicable Public Company Rules.

49.3 A resolution shall be passed by a majority vote of the Directors present at the meeting and entitled to vote on such resolution, and in the case of equality of votes the resolution shall fail. For these purposes, where Directors present and entitled to vote at the meeting do not cast a vote at the meeting, such Directors will be deemed to vote against the resolution.

50. Notice of Board Meetings

50.1 The Chairman may, and the Secretary on the requisition of the Chairman shall, at any time summon a meeting of the Board.

50.2 Before the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, at least 48 hours prior notice shall be given for any meeting of the Board provided that in the case of urgent circumstances as agreed by more than one-half of the total number of the Directors, a meeting of the Board may be convened on short notice, or be held anytime after notice has been given to every Director or be convened without prior notice if all Directors agree. For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, to convene a meeting of the Board, a notice setting forth therein the matters to be considered and if appropriate, approved at the meeting shall be given to each Director no later than seven (7) days prior to the scheduled meeting date. However, in the case of emergency as agreed by more than one-half of the total number of the Directors, the meeting may be convened with a shorter notice period in a manner consistent with the Applicable Public Company Rules. For the purposes of this Article, a notice may be sent via electronic means if so agreed to by the Directors.

51. Participation in Meetings by Video Conference

Directors may participate in any meeting of the Board by means of video conference or other communication facilities, as permitted by the Applicable Law, where all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

52. Quorum at Board Meetings

The quorum for a meeting of the Board shall be more than one-half of the total number of the Directors.==

53. Board to Continue in the Event of Vacancy

The Board may act notwithstanding any vacancy in its number.

54. Chairman to Preside

The Chairman, if there be one, shall act as chairman at all meetings of the Board at which such person is present. In his absence a chairman shall be appointed or elected in accordance with the Applicable Public Company Rules.

55. Validity of Prior Acts of the Board

No regulation or alteration to the Articles made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or

alteration had not been made.

CORPORATE RECORDS

56. Minutes

The Board shall cause minutes to be duly entered in books provided for the purpose:

- (a) of all elections and appointments of Officers;
- (b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and
- (c) of all resolutions and proceedings of general meetings of the Members, meetings of the Board, meetings of managers and meetings of committees appointed by the Board.

57. Register of Mortgages and Charges

57.1 The Directors shall cause to be kept the Register of Mortgages and Charges required by the Law.

57.2 The Register of Mortgages and Charges shall be open to inspection by Members and creditors in accordance with the Law, at the Registered Office on every business day in the Cayman Islands, subject to such reasonable restrictions as the Board may impose, so that not less than two (2) hours in each such business day be allowed for inspection.

58. Form and Use of Seal

58.1 The Seal shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf; and, until otherwise determined by the Directors, the Seal shall be affixed in the presence of a Director or the Secretary or an assistant secretary or some other person authorised for this purpose by the Directors or the committee of Directors.

58.2 Notwithstanding the foregoing, the Seal may without further authority be affixed by way of authentication to any document required to be filed with the Registrar of Companies in the Cayman Islands, and may be so affixed by any Director, Secretary or assistant secretary of the Company or any other person or institution having authority to file the document as aforesaid.

58.3 The Company may have one or more duplicate Seals, as permitted by the Law; and, if the Directors think fit, a duplicate Seal may bear on its face of the name of the country, territory, district or place where it is to be issued.

TENDER OFFER AND ACCOUNTS

59. Tender Offer

For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, within fifteen (15) days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its Litigious and Non-Litigious Agent, 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 and number of the shares held by the Directors and the Members holding more than ten per cent (10%) of the total issued shares in their own names or in the names of other persons.
- (b) the result of the verification on the identity and the financial conditions of the offeror, the fairness of the tender offer conditions and the reasonableness of the offeror's fund source, and recommendations to the Members on the tender offer, which shall set forth the Directors' specific consenting or dissenting opinions on the tender offer and the reason(s) therefor.
- (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.
- (d) the types, numbers and amount of the shares of the tender offeror or its affiliates held by the Directors and the Members holding more than ten per cent (10%) of the total number of issued shares held in their own names or in the name of other persons.

60. Books of Account

60.1 The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;
- (b) all sales and purchases of goods by the Company; and
- (c) all assets and liabilities of the Company.

Such books of account shall be kept for at least five (5) years from the date they are prepared.

60.2 Such records of account shall be kept and proper books of account shall not be deemed to be kept with respect to the matters aforesaid if there are not kept, at such place as the Board thinks fit, such books as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

60.3 The instruments of proxy, documents, forms/statements and information in electronic media prepared in accordance with the Articles and relevant rules and regulations shall be kept for at least one (1) year. However, if a Member institutes a lawsuit with respect to such instruments of proxy, documents, forms/statements and/or information mentioned herein, they shall be kept until the conclusion of the litigation if longer than one (1) year.

61. Financial Year End

Unless the Directors otherwise specify, the financial year of the Company:

- (a) shall end on 31st December in the year of its incorporation and each following year; and
- (b) shall begin when it was incorporated and on 1st January each following year.

AUDIT COMMITTEE

62. Number of Audit Committee Members

For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Board shall set up an Audit Committee. The Audit Committee shall comprise solely of Independent Directors and all Independent Directors shall be members of the Audit Committee. The number of Audit Committee members shall not be less than three (3). One of the Audit Committee members shall be appointed as the convener to convene meetings of the Audit Committee and at least one of the Audit Committee members shall have accounting or financial expertise. The meetings of the Audit Committee shall be convened at least once every quarter and may be convened from time to time as necessary. A valid resolution of the Audit Committee requires approval of one-half or more of all its members. Before the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Board may resolve to establish an Audit Committee.

63. Powers of Audit Committee

63.1 The Audit Committee (if established) shall have the responsibilities and powers as specified under the Applicable Public Company Rules. Any of the following matters of the Company shall require the consent of one-half or more of all Audit Committee members and be submitted to the Board for resolution:

- (a) adoption of or amendment to an internal control system;
- (b) assessment of the effectiveness of the internal control system;
- (c) adoption of or amendment to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others;
- (d) any matter relating to the personal interest of the Directors;

- (e) a material asset or derivatives transaction;
- (f) a material monetary loan, endorsement, or provision of guarantee;
- (g) the offering, issuance, or Private Placement of any equity-related securities;
- (h) the hiring or dismissal of an attesting certified public accountant, or the compensation given thereto;
- (i) the appointment or discharge of a financial, accounting, or internal auditing officer;
- (j) approval of annual and semi-annual/second quarter financial reports (if applicable under the Applicable Public Company Rules); and
- (k) any other matter so determined by the Company from time to time or required by any competent authority overseeing the Company.

With the exception of item (j), any other matter that has not been approved with the consent of one-half or more of all Audit Committee members may be undertaken upon the consent of two-thirds or more of the members of the Board, and the resolution of the Audit Committee shall be recorded in the minutes of the Directors meeting.

63.2 Subject to the Applicable Law and to the extent permitted under the laws of the Cayman Islands, the Independent Directors of the Audit Committee shall supervise the execution of business operations of the Company, and may at any time or from time to time investigate the business and financial conditions of the Company, examine, review or make copies of the accounting books and documents, and request the Board or officers to report on matters referred to above. Subject to the Applicable Law and to the extent permitted under the laws of the Cayman Islands, the Board may authorise any Independent Director of the Audit Committee to appoint on behalf of the Company, a practicing lawyer and independent auditors to conduct the examination.

63.3 The Audit Committee shall audit the various financial statements and records prepared by the Board for submission to the general meeting, and shall report their findings and opinions at such meeting.

VOLUNTARY DISSOLUTION AND WINDING-UP

64. Voluntary Dissolution and Winding-Up

64.1 The Company may be voluntarily wound-up in accordance with Article 12.4.

64.2 If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution, divide amongst the Members in specie or in 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 of Members subject to the Applicable Law. The liquidator may, with the like sanction, vest the whole or any part of such assets in the 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 shares or other securities or assets whereon there is any liability.

CHANGES TO CONSTITUTION

65. Changes to Articles

Subject to the Law and to the conditions contained in its Memorandum, the Company may, by Special Resolution, alter or add to its Articles.

LITIGIOUS AND NON-LITIGIOUS AGENT

66. Appointment of Litigious and Non-Litigious Agent

For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Company shall appoint a Litigious and Non-Litigious Agent pursuant to the Applicable Law to act as the Company's responsible person in the ROC under the Securities and Exchange Law of the ROC to handle matters stipulated in the Securities and Exchange Law of the ROC and the relevant rules and regulations thereto. The Litigious and Non-Litigious Agent shall be an individual who has a residence or domicile in the ROC.

OTHERS

67. ROC Securities Laws and Regulations

For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the qualifications, composition, appointment, removal, exercise of functions and other matters with respect to the Directors, Independent Directors, Compensation Committee and Audit Committee which are required to be followed by the Company shall comply with the applicable ROC securities laws and regulations.

68. Delisting Resulted from Certain Events

If the Company proposes to undertake:

- (a) a merger or consolidation which will result in the Company being dissolved;
- (b) a sale, transfer or assignment of all of the Company's assets and businesses to another entity;
- (c) a share swap; or

(d) a demerger (spin off),

which would cause or result in the delisting of the Company from the TPEX or the TSE, and where (in the case of (a) above) the surviving entity, (in the case of (b) above) the transferee, (in the case of (c) above) the entity whose shares has been allotted in exchange for the Company's shares and, (in the case of (d) above) the existing or newly incorporated spun-off company is not a listed company on the TPEX or the TSE, then in addition to any requirements to be satisfied under the Law, such action shall be first approved at a general meeting by a resolution passed by members holding two-thirds or more of the votes of the total number of issued shares of the Company.

69. Social Responsibilities

When the Company conducts the 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.

Comparison Table of Amendments to the Operational Procedures for Acquisition and Disposal of Assets

Amended Clauses	Existing Clauses	Remarks
<p>Article 3: Scope of Asset</p> <p>1.(omitted)</p> <p>2.(omitted)</p> <p>3.(omitted)</p> <p>4.(omitted)</p> <p>5.(omitted)</p> <p>6.(omitted)</p> <p>7.(omitted)</p> <p>8. <u>Right-of-use assets.</u></p> <p>9. Other major assets.</p>	<p>Article 3: Scope of Asset</p> <p>1.(omitted)</p> <p>2.(omitted)</p> <p>3.(omitted)</p> <p>4.(omitted)</p> <p>5.(omitted)</p> <p>6.(omitted)</p> <p>7.(omitted)</p> <p>8. Other major assets.</p>	<p>Amendment in accordance with legislation</p>
<p>Article 4: Definitions:</p> <p>1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a <u>specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives.</u> The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.</p> <p>2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.</p>	<p>Article 4: Definitions:</p> <p>1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.</p> <p>2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156, paragraph 6 of the Company Act.</p>	<p>Amendment in accordance with legislation</p>

Amended Clauses	Existing Clauses	Remarks
3.(omitted) 4.(omitted) 5.(omitted) 6.(omitted) 7.(omitted)	3.(omitted) 4.(omitted) 5.(omitted) 6.(omitted) 7.(omitted)	
<p>Article 5: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the <u>following requirements:</u></p> <ol style="list-style-type: none"> 1. <u>May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</u> 2. <u>May not be a related party or de facto related party of any party to the transaction.</u> 3. <u>If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</u> <u>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</u> 	<p>Article 5: The Company Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.</p>	<p>Amendment in accordance with legislation</p>

Amended Clauses	Existing Clauses	Remarks
<p>1. <u>Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</u></p> <p>2. <u>When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</u></p> <p>3. <u>They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</u></p> <p>4. <u>They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</u></p>		
<p>Article 6: Total amounts of real property and <u>right-of-use assets</u> thereof or securities acquired by the company and each subsidiary for business use, and limits on individual securities.</p>	<p>Article 6: Total amounts of real property and securities acquired by the company and each subsidiary for business use, and limits on individual securities:</p>	<p>Amendment in accordance with legislation</p>
<p>Article 7: Procedure for Acquisition or Disposal of Real Property, <u>Equipment,</u> <u>right-of-use assets</u> or other fix assets</p> <p>1. Evaluation and Procedure: To acquire or dispose of real property, <u>equipment, right-of-use assets</u> or other fixed assets, the Company shall first prepare a capital</p>	<p>Article 7: Procedure for Acquisition or Disposal of Real Property or other fix assets</p> <p>1. Evaluation and Procedure: To acquire or dispose of real property or other fixed assets, the Company shall first prepare a capital expenditure budget.</p>	<p>Amendment in accordance with legislation</p>

Amended Clauses	Existing Clauses	Remarks
<p>expenditure budget. The preparation, approval, execution and control of such budget shall be governed by the Fixed Asset Cycle of the Company's Internal Control System.</p> <p>2. Decision Procedure for Transaction Terms and Authorized Amount Limit</p> <p>i. In the acquisition or disposal of assets, reference shall be made to appraisal reports issued by professional appraisal organizations and decisions shall be made following price enquiry, comparison or negotiation. Any acquisition or disposal of non-business fixed assets in an amount over NT\$ 100 Million is subject to approval by the board of directors.</p> <p>ii. If the acquisition or disposal of assets by the Company is subject to approval by the board of directors in accordance with the procedure established by the Company or other laws, when such transaction is submitted to the board of directors for discussion, <u>if any director voices any objection, with records or written statements, the Company shall send information about such director's objection to each supervisor or the audit committee.</u> If the Company has independent directors, the opinions of each independent director shall be fully taken into consideration. Any opinion of objection or reservation by any independent director shall be recorded in the minutes of the board meeting.</p> <p>iii. If the Company has an audit committee, <u>major asset or derivatives transactions</u> shall be approved by more than half of all audit committee members, followed by submission to the board of directors for</p>	<p>The preparation, approval, execution and control of such budget shall be governed by the Fixed Asset Cycle of the Company's Internal Control System.</p> <p>2. Decision Procedure for Transaction Terms and Authorized Amount Limit</p> <p>i. In the acquisition or disposal of fixed assets, reference shall be made to appraisal reports issued by professional appraisal organizations and decisions shall be made following price enquiry, comparison or negotiation. Any acquisition or disposal of non-business fixed assets in an amount over NT\$ 100 Million is subject to approval by the board of directors. In the acquisition or disposal of assets, reference shall be made to appraisal reports issued by professional appraisal organizations and decisions shall be made following price enquiry, comparison or negotiation. Any acquisition or disposal of non-business fixed assets in an amount over NT\$ 100 Million is subject to approval by the board of directors.</p> <p>ii. If the acquisition or disposal of assets by the Company is subject to approval by the board of directors in accordance with the procedure established by the Company or other laws, when such transaction is submitted to the board of directors for discussion, if the Company has independent directors, the opinions of each independent director shall be</p>	

Amended Clauses	Existing Clauses	Remarks
<p>resolution. If the transaction is not approved by half of all members of the audit committee, it may be carried out with the approval of 2/3 or more of all directors, with a specification about the resolution of the audit committee in the minutes of board meeting.</p> <p>iv.(omitted)</p> <p>3.(omitted)</p> <p>4. Appraisal report for real property, <u>equipment, right-of-use assets</u> and other fixed assets</p> <p>When the Company acquires or disposes of real property, <u>equipment, right-of-use assets</u> or other fixed assets, other than transactions with a <u>domestic</u> government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment <u>or the right-of-use assets thereof</u> held for business use, the Company shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 Million (see Attachment 1 for details required in the appraisal report) and shall comply with the following provisions:</p> <p>i. Where due to special circumstances it is necessary to give a limited price, specified price or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>ii.(omitted)</p>	<p>fully taken into consideration. Any opinion of objection or reservation by any independent director shall be recorded in the minutes of the board meeting.</p> <p>iii. If the Company has an audit committee, the transaction shall be approved by more than half of all audit committee members, followed by submission to the board of directors for resolution. If the transaction is not approved by half of all members of the audit committee, it may be carried out with the approval of 2/3 or more of all directors, with a specification about the resolution of the audit committee in the minutes of board meeting.</p> <p>iv.(omitted)</p> <p>3.(omitted)</p> <p>4. Appraisal report for real property and other fixed assets</p> <p>When the Company acquires or disposes of real property or other fixed assets, other than transactions with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment held for business use, the Company shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 Million (see Attachment 1 for details required in the appraisal report) and shall comply with the following provisions:</p>	

Amended Clauses	Existing Clauses	Remarks
iii.(omitted) iv.(omitted) v.(omitted)	i. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction. ii.(omitted) iii.(omitted) iv.(omitted) v.(omitted)	
Article 8: Procedure for Acquisition or Disposal of Securities 1.(omitted) 2. Decision Procedure for Transaction Terms and Authorized Amount Limit i.(omitted) ii.(omitted) iii. If the acquisition or disposal of <u>securities</u> by the Company is subject to approval by the board of directors in accordance with the procedure established by the Company or other laws, when such transaction is submitted to the board of directors for discussion, <u>if any director voices any objection, with records or written statements, the Company shall send information about such director’s objection to each supervisor or the audit committee.</u> If the Company has independent directors, the opinions of each independent director shall be fully taken into consideration. Any opinion of objection or reservation by any independent director shall be recorded in	Article 8: Procedure for Acquisition or Disposal of Securities 1.(omitted) 2. Decision Procedure for Transaction Terms and Authorized Amount Limit i.(omitted) ii.(omitted) iii. If the acquisition or disposal of assets by the Company is subject to approval by the board of directors in accordance with the procedure established by the Company or other laws, when such transaction is submitted to the board of directors for discussion, if the Company has independent directors, the opinions of each independent director shall be fully taken into consideration. Any opinion of objection or reservation by any independent director shall be recorded in the minutes of the board meeting. iv. If the Company has an audit	Amendment in accordance with legislation

Amended Clauses	Existing Clauses	Remarks
<p>the minutes of the board meeting.</p> <p>iv. If the Company has an audit committee, <u>major asset or derivatives transactions</u> shall be approved by more than half of all audit committee members, followed by submission to the board of directors for resolution. If the transaction is not approved by half of all members of the audit committee, it may be carried out with the approval of 2/3 or more of all directors, with a specification about the resolution of the audit committee in the minutes of board meeting.</p> <p>3.(omitted)</p> <p>4.(omitted)</p>	<p>committee, the transaction shall be approved by more than half of all audit committee members, followed by submission to the board of directors for resolution. If the transaction is not approved by half of all members of the audit committee, it may be carried out with the approval of 2/3 or more of all directors, with a specification about the resolution of the audit committee in the minutes of board meeting.</p> <p>3.(omitted)</p> <p>4.(omitted)</p>	
<p>Article 9: Procedure for Acquisition or Disposal of Membership or Intangible Assets of <u>the Right-of-Use Assets Thereof</u></p> <p>1. Evaluation and Procedure: Acquisition or disposal of membership or intangible assets <u>or the right-of-use assets thereof by the Company shall be governed by the Other Assets Cycle of the Company's Internal Control System.</u></p> <p>2. Decision Procedure for Transaction Terms and Authorized Amount Limit</p> <p>i. To acquire or dispose of membership, reference shall be made to the fair market price to determine the transaction terms and price. If the amount is within NT\$5 Million (inclusive), the transaction may be approved by the chairman and ratified by the board of directors. If the amount exceeds NT\$5 Million, a prior approval from the board of directors shall be required.</p> <p>ii. To acquire or dispose of intangible assets,</p>	<p>Article 9: Procedure for Acquisition or Disposal of Membership or Intangible Assets</p> <p>1. Evaluation and Procedure: Acquisition or disposal of membership or intangible assets by the Company shall be governed by the Other Assets Cycle of the Company's Internal Control System.</p> <p>2. Decision Procedure for Transaction Terms and Authorized Amount Limit</p> <p>i. To acquire or dispose of membership, reference shall be made to the fair market price to determine the transaction terms and price. If the amount is within NT\$5 Million (inclusive), the transaction may be approved by the chairman and ratified by the board of directors. If the amount exceeds NT\$5 Million, a prior approval from the board of directors shall be required.</p> <p>ii. To acquire or dispose of intangible</p>	<p>Amendment in accordance with legislation</p>

Amended Clauses	Existing Clauses	Remarks
<p>reference shall be made to expert evaluation report or fair market price to determine the transaction terms and price. If the amount is within NT\$100 Million (inclusive), the transaction may be approved by the chairman and ratified by the board of directors. If the amount exceeds NT\$100 Million, a prior approval from the board of directors shall be required.</p> <p>iii. If the acquisition or disposal of asset by the Company is subject to approval by the board of directors in accordance with the procedure established by the Company or other laws, when such transaction is submitted to the board of directors for discussion, <u>if any director voices any objection, with records or written statements, the Company shall send information about such director's objection to each supervisor or the audit committee.</u> If the Company has independent directors, the opinions of each independent director shall be fully taken into consideration. Any opinion of objection or reservation by any independent director shall be recorded in the minutes of the board meeting.</p> <p>iv. If the Company has an audit committee, <u>major asset or derivatives transactions</u> shall be approved by more than half of all audit committee members, followed by submission to the board of directors for resolution. If the transaction is not approved by half of all members of the audit committee, it may be carried out with the approval of 2/3 or more of all directors, with a specification about the resolution of the audit committee in the minutes of board</p>	<p>assets, reference shall be made to expert evaluation report or fair market price to determine the transaction terms and price. If the amount is within NT\$100 Million (inclusive), the transaction may be approved by the chairman and ratified by the board of directors. If the amount exceeds NT\$100 Million, a prior approval from the board of directors shall be required.</p> <p>iii. If the acquisition or disposal of asset by the Company is subject to approval by the board of directors in accordance with the procedure established by the Company or other laws, when such transaction is submitted to the board of directors for discussion, if the Company has independent directors, the opinions of each independent director shall be fully taken into consideration. Any opinion of objection or reservation by any independent director shall be recorded in the minutes of the board meeting.</p> <p>iv. If the Company has an audit committee, the transaction shall be approved by more than half of all audit committee members, followed by submission to the board of directors for resolution. If the transaction is not approved by half of all members of the audit committee, it may be carried out with the approval of 2/3 or more of all directors, with a specification about the resolution of the audit committee in the minutes of board meeting.</p> <p>3. The units responsible for</p>	

Amended Clauses	Existing Clauses	Remarks
<p>meeting.</p> <p>3. The units responsible for implementation</p> <p>When the Company acquires or disposes of membership or intangible assets <u>or right-of-use assets thereof</u>, after approval in accordance with the approval authority under the previous paragraph, the transaction shall be executed by the user department and the general affairs department.</p> <p>4.(omitted)</p>	<p>implementation</p> <p>When the Company acquires or disposes of membership or intangible assets, after approval in accordance with the approval authority under the previous paragraph, the transaction shall be executed by the user department and the general affairs department.</p> <p>4.(omitted)</p>	
<p>Article 11: Related Party Transactions</p> <p>1. When the Company acquires or disposes of assets from or to a related party, in addition to the procedure for the acquisition of real property, <u>equipment or right-of-use assets</u> under Article 7, below provisions about relevant decision process and evaluation of reasonableness of the transaction terms shall also be complied with. If the transaction amount reaches 10% of the Company's total asset, an appraisal report issued by a professional appraiser or an accountant's opinion shall be also be acquired in accordance with Article 7. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>2. When the Company acquires or disposes of real property <u>or right-of-use assets thereof</u> from or to a related party, or when it intends to acquire or dispose of assets other than real property <u>or right-of-use assets thereof</u> from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300</p>	<p>Article 11: Related Party Transactions</p> <p>1. When the Company acquires or disposes of assets from or to a related party, in addition to the procedure for the acquisition of real property under Article 7, below provisions about relevant decision process and evaluation of reasonableness of the transaction terms shall also be complied with. If the transaction amount reaches 10% of the Company's total asset, an appraisal report issued by a professional appraiser or an accountant's opinion shall be also be acquired in accordance with Article 7. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>2. When the Company acquires or disposes of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10</p>	<p>Amendment in accordance with legislation</p>

Amended Clauses	Existing Clauses	Remarks
<p>million or more, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors. If the Company has an audit committee, the transaction shall be submitted to the audit committee for discussion. The Company may not proceed to enter into a transaction contract or make a payment until the transaction is approved by more than half of all audit committee members and resolved by the board of directors. If the transaction is not approved by half of all members of the audit committee, it may be carried out with the approval of 2/3 or more of all directors, with a specification about the resolution of the audit committee in the minutes of board meeting.</p> <p>i.(omitted)</p> <p>ii.(omitted)</p> <p>iii. With respect to the acquisition of real property <u>or right-of-use assets thereof</u> from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with subparagraphs 1, 4 and 5, third paragraph of this Article.</p> <p>iv.(omitted)</p> <p>v.(omitted)</p> <p>vi.(omitted)</p> <p>vii.(omitted)</p> <p>3. Appraisal of Reasonableness of Transaction Cost</p> <p>i. The company that acquires real property or <u>right-of-use assets</u> thereof from a related party shall evaluate the reasonableness of</p>	<p>percent or more of the company's total assets, or NT\$300 million or more, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors. If the Company has an audit committee, the transaction shall be submitted to the audit committee for discussion. The Company may not proceed to enter into a transaction contract or make a payment until the transaction is approved by more than half of all audit committee members and resolved by the board of directors. If the transaction is not approved by half of all members of the audit committee, it may be carried out with the approval of 2/3 or more of all directors, with a specification about the resolution of the audit committee in the minutes of board meeting.</p> <p>i.(omitted)</p> <p>ii.(omitted)</p> <p>iii. With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with subparagraphs 1, 4 and 5, third paragraph of this Article.</p> <p>iv.(omitted)</p> <p>v.(omitted)</p> <p>vi.(omitted)</p> <p>vii.(omitted)</p> <p>3. Appraisal of Reasonableness of Transaction Cost</p>	

Amended Clauses	Existing Clauses	Remarks
<p>the transaction costs by the following means:</p> <ol style="list-style-type: none"> 1.(omitted) 2.(omitted) <p>ii. Where land and structures thereupon are combined as a single property purchased <u>or leased</u> in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>iii. When the Company acquires real property <u>or right-of-use assets thereof</u> from a related party and appraises the cost of the real property <u>or right-of-use assets thereof</u> in accordance with subparagraphs (1) and (2) of the third paragraph, a CPA shall also be engaged to check the appraisal and render a specific opinion.</p> <p>iv. Where the Company acquires real property <u>or right-of-use assets thereof</u> from a related party and one of the following circumstances exists, the appraisal and procedure shall be conducted in accordance with the first and second paragraphs of this Article, and subparagraphs (1), (2) and (3), third paragraph of this Article about appraisal of reasonableness of the transaction cost do not apply:</p> <ol style="list-style-type: none"> 1. The related party acquired the real property <u>or right-of-use assets</u> thereof through inheritance or as a gift. 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property <u>or right-of-use assets</u> thereof to the 	<p>i. The Company that acquire real property from a related party, the reasonableness of the transaction cost shall be evaluated in the following manner:</p> <ol style="list-style-type: none"> 1.(omitted) 2.(omitted) <p>ii. Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>iii. When the Company acquires real property from a related party and appraises the cost of the real property in accordance with subparagraphs (1) and (2) of the third paragraph, a CPA shall also be engaged to check the appraisal and render a specific opinion</p> <p>iv. Where the Company acquires real property from a related party and one of the following circumstances exists, the appraisal and procedure shall be conducted in accordance with the first and second paragraphs of this Article, and subparagraphs (1), (2) and (3), third paragraph of this Article about appraisal of reasonableness of the transaction cost do not apply:</p> <ol style="list-style-type: none"> 1. The related party acquired the real property through inheritance or as a gift. 2. More than 5 years will have elapsed from the time the related 	

Amended Clauses	Existing Clauses	Remarks
<p>signing date for the current transaction.</p> <p>3. <u>The real property or the right-of-use assets thereof</u> is acquired through signing of a joint development contract with the related party.</p> <p>4. <u>The real property right-of-use assets for business use are acquired by the company with its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</u></p> <p>v. When the Company acquires real property, if the results of appraisal conducted in accordance with subparagraphs (1) and (2), paragraph 3 of this Article are uniformly lower than the transaction price, the matter shall be handled in compliance with subparagraph (6), third paragraph of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <p>1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>(1)(omitted)</p> <p>(2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and</p>	<p>party signed the contract to obtain the real property to the signing date for the current transaction.</p> <p>3. The real property is acquired through signing of a joint development contract with the related party.</p> <p>v. When the Company acquires real property, if the results of appraisal conducted in accordance with subparagraphs (1) and (2), paragraph 3 of this Article are uniformly lower than the transaction price, the matter shall be handled in compliance with subparagraph (6), third paragraph of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <p>1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>(1)(omitted)</p> <p>(2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are</p>	

Amended Clauses	Existing Clauses	Remarks
<p>transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market <u>sale</u> or leasing practices.</p> <p>(3)(omitted)</p> <p>2. Where a public company acquiring real property, <u>or obtaining real property right-of-use assets through leasing</u>, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions <u>involving</u> neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions <u>involving</u> neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions <u>involving</u> similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property <u>or obtainment of the right-of-use assets thereof</u>.</p> <p>vi. When the Company acquires real property <u>or the right-of-use assets thereof</u>, if the results of appraisal conducted in accordance with subparagraphs (1) and (2), paragraph 3 of this Article are uniformly lower than the</p>	<p>similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.</p> <p>(3)(omitted)</p> <p>2. Where a company acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.</p> <p>vi. When the Company acquires real property, if the results of appraisal conducted in accordance with subparagraphs (1) and (2), paragraph</p>	

Amended Clauses	Existing Clauses	Remarks
<p>transaction price, the following shall apply:</p> <ol style="list-style-type: none"> 1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property or <u>right-of-use assets thereof</u> transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company. 2.(omitted) 3.(omitted) 4. If the Company has set aside a special reserve for its investment in a publicly listed company accounted for under the equity method in accordance with this subparagraph, it may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased <u>or leased</u> at a premium, or they have been disposed of, <u>or the leasing contract has been terminated,</u> or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent. 	<p>3 of this Article are uniformly lower than the transaction price, the following shall apply:</p> <ol style="list-style-type: none"> 1. The Company special reserve shall be provided in accordance with the first paragraph, Article 41 of the Securities Transaction Act for the amount of difference between the real property transaction price and the evaluated cost. Such reserve shall not be used for distribution or capital increase and share allocation. If the target of the Company's investment under equity method is a publicly listed company, special reserve shall also be provided in accordance with the first paragraph, Article 41 of the Securities Transaction Act in proportion to the shareholding percentage. 2.(omitted) 3.(omitted) <p>If the Company has set aside a special reserve for its investment in a publicly listed company accounted for under the equity method in accordance with this subparagraph, it may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable</p>	

Amended Clauses	Existing Clauses	Remarks
<p>vii. When the Company obtains real property <u>or right-of-use assets thereof</u> from a related party, it shall also comply with subparagraph (6) of the third paragraph if there is other evidence indicating that the acquisition was not an arm's length transaction.</p>	<p>about the transaction, and the FSC has given its consent.</p> <p>vii. When the Company obtains real property from a related party, it shall also comply with subparagraph (6) of the third paragraph if there is other evidence indicating that the acquisition was not an arm's length transaction.</p>	
<p>Article 13: Information Disclosure</p> <p>1. After the Company's shares are listed, when the Company acquires or disposes of assets under any of the following circumstances, it shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>i. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>ii.(omitted)</p> <p>iii. Where equipment or <u>right-of-use assets</u> thereof for business use are acquired or</p>	<p>Article 13: Information Disclosure</p> <p>1. After the Company's shares are listed, when the Company acquires or disposes of assets under any of the following circumstances, it shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>i. Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>ii.(omitted)</p>	<p>Amendment in accordance with legislation</p>

Amended Clauses	Existing Clauses	Remarks
<p>disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>(1)(omitted)</p> <p>(2)(omitted)</p> <p>iv. Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds.</p> <p>(2) Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p>	<p>iii. Where the type of asset acquired or disposed is equipment for business use, the trading counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>(1)(omitted)</p> <p>(2)(omitted)</p> <p>iv. Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of government bonds.</p> <p>(2) Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p>	
<p>Article 16: Implementation and Revision</p> <p>1.(omitted)</p> <p>2.(omitted)</p> <p>These Regulations were established on December 4, 2014</p> <p>First revision was made on June 25, 2015.</p> <p>Second revision was made on June 28, 2017.</p> <p><u>Third revision was made on 28 June 2019.</u></p>	<p>Article 16: Implementation and Revision</p> <p>1.(omitted)</p> <p>2.(omitted)</p> <p>These Regulations were established on December 4, 2014</p> <p>First revision was made on June 25, 2015.</p> <p>Second revision was made on June 28, 2017.</p>	<p>Amended clauses are effective after approval by the shareholders meeting. Date of this revision is also added.</p>

**Comparison Table of Amendments to the Operational Procedures for
Loaning of Company Funds**

Amended Clauses	Existing Clauses	Remarks
<p>Article 4: Total and Individual Loan Limits:</p> <p>1.(omitted)</p> <p>2.(omitted)</p> <p>3.(omitted)</p> <p>4. If the loaning of funds is required for financing purpose among overseas subsidiaries of which the Company directly or indirectly holds 100% voting shares <u>or by an overseas subsidiary of which the Company directly or indirectly holds 100% voting shares to the parent company</u>, the total amount shall not exceed 100% of the Company's net value. Loan amount granted to any individual borrower shall not exceed 30% of the Company's net value.</p>	<p>Article 4: Total and Individual Loan Limits:</p> <p>1.(omitted)</p> <p>2.(omitted)</p> <p>3.(omitted)</p> <p>4. If the loaning of funds is required for financing purpose among overseas subsidiaries of which the Company directly or indirectly holds 100% voting shares, the total amount shall not exceed 100% of the Company's net value. Loan amount granted to any individual borrower shall not exceed 30% of the Company's net value.</p>	Amendment in accordance with legislation
<p>Article 5: Loan Procedure:</p> <p>1.(omitted)</p> <p>2.(omitted)</p> <p>3. Scope of Authorization:</p> <p>To process the loaning of funds by the Company, following credit verification by the Finance Department of the Company, the proposal shall be submitted to the Chairman for approval and also submitted to the board of directors for resolution. No other person is authorized to make such decision. If the Company has independent directors, the opinions of each independent director shall be fully taken into consideration. The opinions for or against the proposal and the reasons shall be included in the records of board meeting.</p>	<p>Article 5: Loan Procedure:</p> <p>1.(omitted)</p> <p>2.(omitted)</p> <p>3. Scope of Authorization:</p> <p>To process the loaning of funds by the Company, following credit verification by the Finance Department of the Company, the proposal shall be submitted to the Chairman for approval and also submitted to the board of directors for resolution. No other person is authorized to make such decision. If the Company has independent directors, the opinions of each independent director shall be fully taken into consideration. The opinions for or against the proposal and the reasons shall be included in the records of board meeting.</p>	Amendment in accordance with legislation

Amended Clauses	Existing Clauses	Remarks
<p><u>If the Company has an audit committee, the establishment or amendment of the Procedure for the Loaning of Funds shall be approved by 1/2 or more of all audit committee members and submitted to the board of directors for resolution. The second paragraph shall not apply. If the proposal is not approved by more than 1/2 of all audit committee members, it may be approved by more than 2/3 of all directors and the resolution of the audit committee shall be specified in the meeting minutes of the board of directors. “All audit committee members” and “all directors” under the previous paragraph refer to those of the current term.</u> For the loaning of funds between the Company and its subsidiaries or between subsidiaries, a submission shall be made to the board of directors for resolution in accordance with the previous paragraph. The Chairman may be authorized to advance loans by stage to or allow revolving drawdowns by the same borrower within a certain limit resolved by the board of directors and within a period of one year.</p>	<p>For the loaning of funds between the Company and its subsidiaries or between subsidiaries, a submission shall be made to the board of directors for resolution in accordance with the previous paragraph. The Chairman may be authorized to advance loans by stage to or allow revolving drawdowns by the same borrower within a certain limit resolved by the board of directors and within a period of one year.</p>	
<p>Article 9: Announcement and reporting: 1.(omitted) 2.(omitted) 3.(omitted) (omitted)</p> <p>The “date of occurrence” referred to in this Procedure means the date of contract signature, date of payment, date of board resolution or other date on which the <u>recipient of the loan or the transaction</u> amount is confirmed, whichever is the earliest.</p>	<p>Article 9: Announcement and reporting: 1.(omitted) 2.(omitted) 3.(omitted) (omitted)</p> <p>The “date of occurrence” referred to in this Procedure means the date of transaction contract signature, date of payment, date of board resolution or other date on which the transaction counterpart or transaction amount is confirmed, whichever is the earliest.</p>	<p>Amendment in accordance with legislation</p>
<p>Article 13: Implementation and Revision</p>	<p>Article 13: Implementation and Revision</p>	<p>Amended</p>

Amended Clauses	Existing Clauses	Remarks
<p>1. (omitted)</p> <p>2. (omitted)</p> <p>These Regulations were established on December 4, 2014</p> <p>First revision was made on June 25, 2015.</p> <p><u>Second revision was made on June 28, 2019.</u></p>	<p>1. (omitted)</p> <p>2. (omitted)</p> <p>These Regulations were established on December 4, 2014</p> <p>First revision was made on June 25, 2015.</p>	<p>clauses are effective after approval by the shareholders meeting. Date of this revision is also added.</p>

Comparison Table of Amendments to the Operational Procedures for Endorsements and Guarantees

Amended Clauses	Existing Clauses	Remarks
<p>Article 4: Limit of Endorsements/Guarantees</p> <p>1.(omitted)</p> <p>2. Amount limit for endorsements/guarantees for single enterprise: No more than <u>30%</u> of the Company's net value. However, for endorsements/guarantees for companies of which 100% voting shares are directly or indirectly held by the Company or endorsements/guarantees among companies of which 100% voting shares are directly or indirectly held by the Company, the amount shall not exceed 250% of the Company's net value.</p> <p>3.(omitted)</p> <p>4.(omitted)</p>	<p>Article 4: Limit of Endorsements/Guarantees</p> <p>1.(omitted)</p> <p>2. Amount limit for endorsements/guarantees for single enterprise: No more than 10% of the Company's net value. However, for endorsements/guarantees for companies of which 100% voting shares are directly or indirectly held by the Company or endorsements/guarantees among companies of which 100% voting shares are directly or indirectly held by the Company, the amount shall not exceed 250% of the Company's net value.</p> <p>3.(omitted)</p> <p>4.(omitted)</p>	<p>Amendment in accordance with legislation</p>
<p>Article 6: Endorsement/Guarantee Processing and Review Procedure</p> <p>1.(omitted)</p> <p>2.(omitted)</p> <p>3.(omitted)</p> <p>4. Approval of Endorsements and Guarantees</p> <p>(i)(omitted)</p> <p>(ii)(omitted)</p> <p>(iii) <u>If the Company has an audit committee, cases of endorsements and guarantees shall be approved by more than 1/2 of all audit committee members and submitted to the board of directors for resolution and</u></p>	<p>Article 6: Endorsement/Guarantee Processing and Review Procedure</p> <p>1.(omitted)</p> <p>2.(omitted)</p> <p>3.(omitted)</p> <p>4. Approval of Endorsements and Guarantees</p> <p>(i)(omitted)</p> <p>(ii)(omitted)</p>	<p>Amendment in accordance with legislation</p>

Amended Clauses	Existing Clauses	Remarks
<p><u>paragraph 2 is not applicable. If the proposal is not approved by more than 1/2 of all audit committee members, it may be approved by more than 2/3 all directors and the resolution of the audit committee shall be specified in the meeting minutes of the board of directors. “All audit committee members” and “all directors” referred to under the previous paragraph are those of the current term.</u></p> <p>5.(omitted) 6.(omitted) 7.(omitted) 8.(omitted)</p>	<p>5.(omitted) 6.(omitted) 7.(omitted) 8.(omitted)</p>	
<p>Article 10: Information Disclosure</p> <p>1.(omitted) 2.(omitted) (i)(omitted) (ii)(omitted) (iii) When the balance amount of endorsements and guarantees for any single enterprise by the Company and its subsidiaries reaches NT\$10 Million and the total amount of endorsements/guarantees, <u>investment book value under equity method</u> and balance amount of loans reaches 30% of the Company’s net value in its latest financial reports. (iv)(omitted) 3. Date of occurrence of the event referred to in this Procedure means the date of contract signature, date of payment, date of board resolution or other date on which the transaction counterparty and transaction amount are confirmed, whichever is earlier.</p>	<p>Article 10: Information Disclosure</p> <p>1.(omitted) 2.(omitted) (i)(omitted) (ii)(omitted) (iii) When the balance amount of endorsements and guarantees for any single enterprise by the Company and its subsidiaries reaches NT\$10 Million and the total amount of endorsements/guarantees, long-term investment and balance amount of loans reaches 30% of the Company’s net value in its latest financial reports. (iv)(omitted) 3. Date of occurrence of the event referred to in this Procedure means the date of transaction-contract signature, date of payment, date of board resolution or other date on which the transaction counterparty and transaction amount are confirmed, whichever is earlier.</p>	<p>Amendment in accordance with legislation</p>

Amended Clauses	Existing Clauses	Remarks
<p>Article 12: Other Matters</p> <p>1. If the target of the endorsement or guarantee by the Company is inconsistent with the requirements of this Procedure or if the amount exceeds the limit due to change of circumstances, a correction plan shall be established. If the Company has independent directors, the relevant correction plan shall be submitted to the independent directors and corrections shall be completed in accordance with the schedule.</p> <p>2. <u>If the Company has an audit committee, the relevant correction plan shall be submitted to the audit committee.</u></p> <p>3.(omitted)</p>	<p>Article 12: Other Matters</p> <p>1. If the target of the endorsement or guarantee by the Company is inconsistent with the requirements of this Procedure or if the amount exceeds the limit due to change of circumstances, a correction plan shall be established. If the Company has independent directors, the relevant correction plan shall be submitted to the independent directors and corrections shall be completed in accordance with the schedule.</p> <p>2.(omitted)</p>	<p>Amendment in accordance with legislation</p>
<p>Article 14: Implementation and Revision</p> <p>1.(omitted)</p> <p>2.(omitted)</p> <p>These Regulations were established on December 4, 2014</p> <p>First revision was made on June 25, 2015.</p> <p><u>Second revision was made on June 28, 2019.</u></p>	<p>Article 14: Implementation and Revision</p> <p>1.(omitted)</p> <p>2.(omitted)</p> <p>These Regulations were established on December 4, 2014</p> <p>First revision was made on June 25, 2015.</p>	<p>Amended clauses are effective after approval by the shareholders meeting. Date of this revision is also added.</p>

Appendix 1

FOURTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF

Jinan Acetate Chemical Co., LTD.

(adopted by a Special Resolution passed on June 22, 2018)

Table A

The regulations in Table A in the First Schedule to the Law (as defined below) do not apply to the Company.

INTERPRETATION

1. Definitions

1.1 In these Amended and Restated Articles, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

Applicable Law	the Applicable Public Company Rules, the Law or such other rules or legislation applicable to the Company;
Applicable Public Company Rules	the ROC laws, rules and regulations (including, without limitation, the Company Law of the ROC, the Securities and Exchange Law of the ROC, the rules and regulations promulgated by the FSC, the rules and regulations promulgated by the TPEX and the rules and regulations promulgated by the TSE, as amended from time to time) affecting public reporting companies or companies listed on any ROC stock exchange or securities market that from time to time are required by the relevant regulator as applicable to the Company;
Appointed Representative	has the meaning given thereto in Article 35.5;
Articles	the Articles of Association as altered from time to time;
Audit Committee	the audit committee of the Board, which shall comprise solely of all the Independent Directors of the Company;
Board	the board of directors appointed or elected pursuant to the Articles and acting at a meeting of directors at which there is a quorum in accordance with the

	Articles;
Capital Reserve	for the purpose of the Articles only, comprises of the premium paid on the issuance of any share and income from endowments received by the Company from the Members;
Chairman	the Director elected amongst all the Directors as the chairman of the Board;
Company	Jinan Acetate Chemical Co., LTD.;
Compensation Committee	a committee of the Board, which shall be comprised of professional individuals and having the functions, in each case, prescribed by the Applicable Public Company Rules;
Cumulative Voting	the voting mechanism for an election of Directors as described in Article 35.2 hereof;
Directors	the directors for the time being of the Company and shall include any and all Independent Director(s);
Electronic Record	has the same meaning as in the Electronic Transactions Law;
Electronic Transactions Law	the Electronic Transactions Law (2003 Revision) of the Cayman Islands;
ESM	the emerging stock market of the ROC;
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 shall include the parents, siblings, grandparents, children and grandchildren of the first person as well as the parents, siblings and grandparents of the first person's spouse;
FSC	the Financial Supervisory Commission of the ROC;
Independent Directors	the Directors who are elected as "Independent Directors" in accordance with the Applicable Public Company Rules or the Articles;
Joint Operation Contract	a contract between the Company and one or more person(s) or entit(ies) where the parties thereto 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 thereof;
Law	The Companies Law of the Cayman Islands and every modification, reenactment or revision thereof 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 the whole business of the Company in the name of such person, and as consideration, the Company receives a pre-determined compensation from such person;
Litigious and Non-Litigious Agent	a person appointed by the Company pursuant to the Applicable Law as the Company's process agent for purposes of service of documents in the relevant jurisdiction and the Company's responsible person in the ROC under the Securities and Exchange Law of the ROC;
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 and for the benefit of the Company, and as consideration, such person(s) receive a pre-determined compensation from the Company while the Company continues to be entitled to the profits (or losses) of such business;
Market Observation Post System	the public company reporting system maintained by the TSE;
Member	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
Memorandum	the memorandum of association of the Company;
Merger	means: (a) a "merger" or "consolidation" as defined under the Law ; or (b) other forms of mergers and acquisitions which fall within the definition of "merger and/or consolidation" under the Applicable Public Company Rules;
month	calendar month;
Notice	written notice as further provided in the Articles unless otherwise specifically stated;
Officer	any person appointed by the Board to hold an office in the Company;
Ordinary Resolution	a resolution passed at a general meeting (or, if so specified, a meeting of Members holding a class of shares) of the Company by not less than a simple majority vote of the Members present at the meeting, in person or by proxy. For these purposes, where votes represented but not cast at the meeting will be deemed to be votes cast

	against the resolution;
Preferred Shares	has the meaning given thereto in Article 6;
Private Placement	means, for so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the private placement by the Company of shares or other securities of the Company as permitted by the Applicable Public Company Rules;
Register of Directors and Officers	the register of directors and officers referred to in Article 42 hereof;
Register of Members	the register of members of the Company maintained in accordance with the Law and (as long as the shares of the Company are traded on the ESM or listed on the TPEX or the TSE in Taiwan) the Applicable Public Company Rules;
Registered Office	the registered office for the time being of the Company;
Replacement	has the meaning given thereto in Article 35.6;
Restricted Shares	has the meaning given thereto in Article 2.5;
ROC	Taiwan, the Republic of China;
Seal	the common seal or any official or duplicate seal of the Company;
Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
share(s)	share(s) of par value New Taiwan Dollars 10.00 each in the Company;
Special Resolution	Subject to the Law, means a resolution passed at a general meeting of the Company by a majority of at least two-thirds of the votes cast by such Members who, being entitled to do so, vote in person or by their proxies, or, in the case of Members that are corporations or other non-natural person, by their duly authorised representatives by computing the number of votes to which each Member is entitled;
Subsidiary	with respect to any company, (1) the entity, more than one half of whose total number of the issued voting shares or the total amount of the share capital are directly or indirectly held by such company; or (2) the entity that such company has a direct or indirect control over its personnel, financial or business operation;
Supermajority Resolution	a resolution passed by a majority vote of the Members present at a general meeting attended by Members who represent two-thirds or more of

the total issued shares or, if the total number of shares represented by the Members present at the general meeting is less than two-thirds of the total issued shares, but more than one half of the total issued shares, means instead, a resolution passed by two-thirds or more of votes cast by the Members present at such general meeting. For these purposes, where votes represented but not cast at the meeting will be deemed to be votes cast against the resolution;

Treasury Shares	means shares of the Company held in treasury pursuant to the Law and the Articles;
TDCC	the Taiwan Depository & Clearing Corporation;
TPEX	the Taipei Exchange;
TSE	the Taiwan Stock Exchange Corporation; and
year	calendar year.

1.2 In the Articles, where not inconsistent with the context:

- (a) words denoting the plural number include the singular number and vice versa;
- (b) words denoting the masculine gender include the feminine and neuter genders;
- (c) words importing persons include companies, associations or bodies of persons whether corporate or not;
- (d) the words:-
 - (i) "may" shall be construed as permissive; and
 - (ii) "shall" shall be construed as imperative;
- (e) "written" and "in writing" include all modes of representing or reproducing words in visible form, including the form of an Electronic Record;
- (f) a reference to statutory provision shall be deemed to include any amendment or re-enactment thereof;
- (g) unless otherwise provided herein, words or expressions defined in the Law shall bear the same meaning in the Articles; and
- (h) Section 8 of the Electronic Transactions Law shall not apply to the extent that it imposes obligations or requirements in addition to those set out in the Articles.

1.3 Headings used in the Articles are for convenience only and are not to be used or relied upon in the construction hereof.

SHARES

2. Power to Issue Shares

- 2.1 Subject to the Applicable Law, Articles and any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares of the Company on such terms and conditions as it may determine and any shares or class of shares (including the issue or grant of options, warrants and other rights, renounceable or otherwise in respect of shares) may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may by resolution of the Members prescribe, provided that no share shall be issued at a discount except in accordance with the Law and the Applicable Public Company Rules.
- 2.2 Unless otherwise provided in the Articles, the issue of new shares of the Company shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors. The issue of new shares shall at all times be subject to the sufficiency of the authorized capital of the Company.
- 2.3 After the application for trading of the shares on the ESM or listing in Taiwan has been approved by the TPEx or TSE, as applicable, where the Company increases its issued share capital by issuing new shares for cash consideration in the ROC, the Company shall allocate 10% of the total amount of the new shares to be issued, for offering in the ROC to the public ("Public Offering Portion") unless it is not necessary or appropriate, as determined by the FSC or the TPEx for the Company to conduct the aforementioned public offering or otherwise provided by Applicable Law. However, if a percentage higher than the aforementioned 10% is resolved by the Members in a general meeting by Ordinary Resolution to be offered, the percentage determined by such resolution shall prevail and shares corresponding to such percentage shall be reserved as Public Offering Portion. The Company may also reserve 10% to 15% of such new shares for subscription by the employees of the Company and its Subsidiaries (the "Employee Subscription Portion"). The Company may prohibit such employees from transferring the shares so subscribed within a certain period; provided, however, that such a period cannot be more than two years.
- 2.4 Unless otherwise resolved by the Members in general meeting by Ordinary Resolution, where the Company increases its issued share capital by issuing new shares for cash consideration pursuant to Article 2.3 hereof, after allocation of the Public Offering Portion, including, for the avoidance of doubt, any percentage in excess of 10% of the total amount of the new shares to be issued for offering in the ROC to the public as resolved by the Members in general meeting be offered pursuant to Article 2.3, and the Employee Subscription Portion pursuant to Article 2.3 hereof, the Company shall make a public announcement and notify each Member that he is entitled to exercise a pre-emptive right to purchase his pro rata portion of the remaining new shares, to be issued in the capital increase for cash consideration. The Company shall state in such announcement and notices to the Members the procedures for exercising such pre-emptive rights and that if any Member fails to purchase his pro rata portion of such remaining newly-issued shares within the prescribed period, such Member shall be deemed to forfeit his pre-emptive right to purchase such newly-issued shares. Where an exercise of the pre-emptive right may result in fractional entitlement of a Member, the entitlements (including fractional entitlements) of two or more Members may be combined to jointly subscribe for one or more whole new shares in the name of a single Member, subject to compliance with such directions and terms and conditions as determined by the Board and the Applicable Public Company Rules. If the total number of the new shares to be issued has not been fully subscribed for by

the Members within the prescribed period, the Company may consolidate such shares into the public offering tranche or offer any un-subscribed new shares to a specific person or persons in such manner as is consistent with the Applicable Public Company Rules.

- 2.5** Subject to the Applicable Law, the Company may issue new shares with restricted rights ("**Restricted Shares**") to employees of the Company and its Subsidiaries with the sanction of a Supermajority Resolution provided that Article 2.3 hereof shall not apply in respect of the issue of such shares. For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the terms of issue of Restricted Shares, including but not limited to the number of Restricted Shares so issued, issue price of Restricted Shares and other related matters shall be in accordance with the Applicable Public Company Rules.
- 2.6** The pre-emptive right of Members under Article 2.4 shall not apply in the event that new shares are issued due to the following reasons or for the following purposes:
- (a) in connection with a Merger, spin-off, or pursuant to any reorganization of the Company;
 - (b) in connection with meeting the Company's obligations under share subscription warrants and/or options, including those rendered in Articles 2.8 and 2.11 hereof;
 - (c) in connection with the issue of Restricted Shares in accordance with Article 2.5 hereof;
 - (d) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire shares;
 - (e) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire shares; or
 - (f) in connection with Private Placement of the securities issued by the Company.
- 2.7** The Company shall not issue any unpaid shares or partly paid-up shares.
- 2.8** Notwithstanding Article 2.5 hereof, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, adopt one or more employee incentive programmes and may issue shares or options, warrants or other similar instruments, to employees of the Company and its Subsidiaries, and for the avoidance of doubt, resolution of the Members is not required.
- 2.9** Options, warrants or other similar instruments issued in accordance with Article 2.8 above are not transferable save by inheritance.
- 2.10** Directors of the Company and its Subsidiaries shall not be eligible for Restricted Shares pursuant to Article 2.5 hereof or the incentive programmes pursuant to Article 2.8 hereof, provided that directors who are also employees of the Company or its Subsidiaries may subscribe for Restricted Shares or participate in an incentive programme in their capacity as an employee and not as a director of the Company or its Subsidiaries.
- 2.11** The Company may enter into agreements with employees of the Company and/or the employees of its Subsidiaries in relation to the incentive programme approved pursuant to Article 2.8 above, whereby employees may subscribe for, within a specific period, a specific number of the shares. The terms and

conditions of such agreements shall be no less restrictive on the relevant employee than the terms specified in the applicable incentive programme.

- 2.12** Without prejudice to any provisions in this Article 2, where shares are issued by the Company for purposes of changing the currency denomination of share capital of the Company as approved by the members at a general meeting (the "**Redenomination**"), to the extent that the percentage of shareholding interest of the members of the Company will not be affected and the members are not required to pay any amounts for any new shares issued in connection with the Redenomination in excess of the proceeds of any share buy back of their existing shares which are subject to the Redenomination, no further approval or consent of the Member or Members shall be required.

3. Redemption and Purchase of Shares

- 3.1** Subject to the Law, the Company is authorised to issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Member.
- 3.2** The Company is authorised to make payments in respect of the redemption of its shares out of capital or out of any other account or fund authorised for this purpose in accordance with the Law.
- 3.3** The redemption price of a redeemable share, or the method of calculation thereof, shall be fixed by the Board at or before the time of issue.
- 3.4** Every share certificate relating to redeemable share shall indicate that the share is redeemable.
- 3.5** Subject to the Applicable Law and the Articles, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, purchase its own shares (including any redeemable shares) on such terms and in such manner as the Directors may determine and hold them as Treasury Shares in accordance with the Applicable Law PROVIDED THAT if any purchase of the Company's own shares involves any immediate cancellation of shares of the Company, such repurchase of shares is subject to approval by the Members by way of an Ordinary Resolution and the number of shares of the Company to be cancelled shall be allocated among all the Members as of the date of such cancellation on a pro rata basis (as rounded up or down to the nearest whole number as determined by the Directors) based on the then prevailing percentage of shareholding of the Members, unless otherwise provided for in the Law or the Applicable Public Company Rules.

Upon approval by Members by way of an Ordinary Resolution to repurchase and cancel shares of the Company, the repurchase price may be paid in any manner authorized by the Law, including in cash or in kind, provided that where any repurchase price is to be paid in kind, the monetary equivalent value of such payment in kind shall be (a) assessed by an ROC certified public accountant before being submitted by the Board to the Members for approval as part of the Ordinary Resolution authorising the repurchase and cancellation of shares of the Company; and (b) agreed to individually by each Member who will be receiving the repurchase price in kind. Without prejudice to this Article 3.5., in the case of a repurchase of shares by the Company for purposes of changing the currency denomination of share capital of the Company, consent of the holders of the shares subject to such repurchase shall not be required.

- 3.6** In the event that the Company proposes to purchase any share traded on the ESM or listed on the TPEX or the TSE in Taiwan pursuant to the preceding Article, the resolution of the Board approving such proposal and the

implementation thereof should be reported to the Members in the next general meeting in accordance with the Applicable Public Company Rules. Such reporting obligation shall also apply even if the Company does not implement the proposal to purchase its shares traded on the ESM or listed on the TPEX or the TSE in Taiwan for any reason.

- 3.7** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Company is authorised to purchase any share traded on the ESM or listed on the TPEX or the TSE in Taiwan in accordance with the following manner of purchase:
- (a) the total price of the shares purchased by the Company shall not exceed the sum of retained earnings minus earnings distribution resolved by the Board or the general meeting, plus the following realized capital reserve:
 - (i) the premium received from the disposal of assets that has not been booked as retained earnings;
 - (ii) the premium paid on the issuance of any share and income from endowments received by the Company provided however that income from the shares shall not be included before such shares have been transferred to others;
 - (b) the maximum number of shares purchased by the Company shall not exceed ten percent of the total number of issued and outstanding shares of the Company; and
 - (c) the purchase shall be at such time, at such price and on such other terms as determined and agreed by the Board in its sole discretion provided however that:
 - (i) such purchase transactions shall be in accordance with the laws and regulations of the ROC relating to securities transactions and Applicable Public Company Rules; and
 - (ii) such purchase transactions shall be in accordance with the Law.
- 3.8** Subject to Article 3.5 and the Applicable Public Company Rules, the redemption or repurchase price may be paid in any manner permissible under the Law as determined by the Board.
- 3.9** A delay in payment of the redemption price shall not affect the redemption but, in the case of a delay of more than thirty days, interest shall be paid for the period from the due date until actual payment at a rate which the Directors, after due enquiry, estimate to be representative of the rates being offered by banks holding “A” licenses (as defined in the Banks and Trust Companies Law (Revised) of the Cayman Islands) in the Cayman Islands for thirty day deposits in the same currency.
- 3.10** The Directors may exercise as they think fit the powers conferred on the Company by Section 37(5) of the Law (payment out of capital) but only if and to the extent that the redemption could not otherwise be made (or not without making a fresh issue of shares for this purpose).
- 3.11** Subject as aforesaid, the Directors may determine, as they think fit all questions that may arise concerning the manner in which the redemption of the shares shall or may be effected.
- 3.12** No share may be redeemed unless it is fully paid-up.
- 3.13** The Board may designate as Treasury Shares any of its shares that it purchases

or redeems, or any shares surrendered to it, in accordance with the Applicable Law.

- 3.14** No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up of the Company) may be made to the Company in respect of a Treasury Share.
- 3.15** The Company shall be entered in the Register of Members as the holder of the Treasury Shares provided that:
- (a) the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
 - (b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of the Articles or the Law.
- 3.16** After the Company purchases the shares traded on the ESM or listed on the TPEX or the TSE in Taiwan, any proposal to transfer the Treasury Shares to the employees of the Company and its Subsidiaries at a price below the average actual repurchase price must be approved by Special Resolution in the next general meeting and the items required by the Applicable Public Company Rules shall be specified in the notice of the general meeting and may not be proposed as an extemporaneous motion. The aggregate number of Treasury Shares resolved at all general meetings and transferred to the employees of the Company and its Subsidiaries shall not exceed 5% of the total issued shares, and each employee may not subscribe for more than 0.5% of the total issued shares in aggregate. The Company may prohibit such employees from transferring such Treasury Shares within a certain period; provided, however, that such a period cannot be more than two years.
- 3.17** Subject to Article 3.16 and the Applicable Public Company Rules, Treasury Shares may be disposed of by the Company on such terms and conditions in accordance with the Applicable Law as determined by the Directors.

4. Rights Attaching to Shares

Subject to Article 2.1, the Memorandum and the Articles, other contractual obligations or restrictions that the Company is bound by and any resolution of the Members to the contrary and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares, the share capital of the Company shall be divided into shares of a single class the holders of which shall, subject to the provisions of the Articles:

- (a) be entitled to one vote per share;
- (b) be entitled to such dividends as recommended by the Board and approved by the Members at general meeting;
- (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
- (d) generally be entitled to enjoy all of the rights attaching to shares.

5. Share Certificates

- 5.1 The Company may issue shares in uncertificated/scripless form or issue share certificates. Where share certificates are issued, every Member shall be entitled to a certificate issued under the Seal (or a facsimile thereof), which shall be affixed or imprinted with the authority of the Board, specifying the number and, where appropriate, the class of shares held by such Member. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means. For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, shares of the Company shall be issued in uncertificated/scripless form unless the issuance of share certificates is required by the provisions of the Applicable Public Company Rules.
- 5.2 If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.
- 5.3 Share may not be issued in bearer form.
- 5.4 When the Company shall issue share certificates pursuant to Article 5.1 hereof, the Company shall deliver the share certificates to the subscribers within thirty (30) days from the date such share certificates may be issued pursuant to the Law, the Memorandum, the Articles, and the Applicable Public Company Rules, and shall make a public announcement prior to the delivery of such share certificates pursuant to the Applicable Public Company Rules.
- 5.5 Where the Company shall issue the shares in uncertificated/scripless form, the Company shall comply with the Law and the Applicable Public Company Rules to handle relevant matters, and shall deliver the shares to the subscribers by book-entry transfer within thirty (30) days after the Company is permitted by applicable listing laws and regulations to issue such shares and make a public announcement prior to the delivery.

6. Preferred Shares

- 6.1 The Company may by Special Resolution designate one or more classes of shares with preferred or other special rights as the Company, by Special Resolution, may determine (shares with such preferred or other special rights, the "**Preferred Shares**"), and cause to be set forth in the Articles.
- 6.2 For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the rights and obligations of Preferred Shares may include (but not limited to) the following terms and shall be consistent with the Applicable Public Company Rules:
 - (a) the order of priority and fixed amount or fixed ratio of allocation of dividends and bonus on Preferred Shares;
 - (b) the order of priority and fixed amount or fixed ratio of allocation of surplus assets of the Company;
 - (c) the order of priority for or restriction on the voting right(s) (including declaring no voting rights whatsoever) of the Members holding the Preferred Shares;
 - (d) the method by which the Company is authorized or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply; and
 - (e) other matters concerning rights and obligations incidental to Preferred Shares.

REGISTRATION OF SHARES

7. Register of Members

- (a) For so long as shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Board shall cause to be kept a Register of Members which may be kept outside the Cayman Islands at such place as the Board shall appoint and which shall be maintained in accordance with the Law and the Applicable Public Company Rules.
- (b) In the event that the Company has shares that are not traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Company shall also cause to be kept a register of such shares in accordance with Section 40 of the Law.

8. Registered Holder Absolute Owner

Except as required by law:

- (a) no person shall be recognised by the Company as holding any share on any trust; and
- (b) no person other than the Member shall be recognised by the Company as having any right in a share.

9. Transfer of Registered Shares

- 9.1 Title to shares traded on the ESM or listed on the TPEX or the TSE in Taiwan may be evidenced and transferred in a manner consistent with the Applicable Public Company Rules (including through the book-entry system of the TDCC).
- 9.2 All transfers of shares which are in certificated form may be effected by an instrument of transfer in writing in any usual form or in any other form which the Board may approve and shall be executed by or on behalf of the transferor and, if the Board so requires, by or on behalf of the transferee. Without prejudice to the foregoing, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers. Notwithstanding the foregoing, an instrument of transfer shall not be required for a repurchase of shares by the Company for purposes of changing the currency of share capital of the Company.
- 9.3 The Board may refuse to recognise any instrument of transfer in respect of shares in certificated form unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.
- 9.4 The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.
- 9.5 The Board may in its absolute discretion and without assigning any reason therefor refuse to register the transfer of a share in certificated form in the event such registration of transfer would (i) conflict with the Applicable Law; or (ii) conflict with the Memorandum and/or the Articles. If the Board refuses to

register a transfer of any share, the Secretary shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

10. Transmission of Registered Shares

- 10.1** In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the provisions of Section 39 of the Law, for the purpose of this Article, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.
- 10.2** Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share.
- 10.3** On the presentation of the evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration or refuse registration as stipulated in Article 9.3 hereof as it would have had in the case of a transfer of the share by that Member before such Member's death or bankruptcy, as the case may be.
- 10.4** Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to the said share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

ORDINARY RESOLUTION, SPECIAL RESOLUTION AND SUPERMAJORITY RESOLUTION

11. Alteration of Capital

- 11.1** The Company may from time to time by Ordinary Resolution alter the conditions of its Memorandum to:
- (a) increase its share capital by new shares of such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe;
 - (b) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
 - (c) convert all or any of its paid up shares into stock and reconvert that stock into paid up shares of any denomination;
 - (d) sub-divide its existing shares, or any of them into shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same

as it was in case of the share from which the reduced share is derived and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares; or

- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

11.2 The Board may settle as it considers expedient any difficulty which arises in relation to any consolidation and division under the last preceding Article and in particular but without prejudice to the generality of the foregoing may issue certificates in respect of fractions of shares or arrange for the sale of the shares representing fractions and the distribution of the new proceeds of sale (after deduction of the expenses of such sale) in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to their purchaser or resolve that such net proceeds be paid to the Company for the Company's benefit. Such purchaser will not be bound to see to the application of the purchase money nor will his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

12. Special Resolution and Supermajority Resolution

12.1 Subject to the Law and the Articles, the Company may from time to time by Special Resolution:

- (a) change its name;
- (b) alter or add to the Articles;
- (c) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein;
- (d) reduce its share capital and any capital redemption reserve fund; or
- (e) effect a Merger under the Law.

12.2 Subject to the Law, the Company may, by Special Resolution, issue securities by way of Private Placement within the territory of the ROC in accordance with Applicable Public Company Rules; provided that, for issuance of corporate bonds which do not involve the grant of a warrant, option, or right of conversion or otherwise grant the holders of the bonds the right to acquire equity or similar rights by way of Private Placement within the territory of the ROC, the Company may do so by resolution of the Board in different tranches within one year from the date of the resolution of the Board in accordance with Applicable Public Company Rules.

12.3 Subject to the Law, the following actions by the Company shall require the approval of the Members by a Supermajority Resolution:

- (a) effecting any capitalization of distributable dividends and/or bonuses and/or any other amount prescribed under Article 17 hereof;
- (b) distributing its Capital Reserve or Statutory Reserve, in whole or in part, to

its existing Members in proportion to the number of shares being held by each of them in cash, provided that in the case of distribution of the Statutory Reserve (as defined in Article 14.4), only the portion of Statutory Reserve which exceeds twenty five percent (25%) of the issued share capital may be distributed;

- (c) effecting any Merger (except for any Merger which falls within the definition of "merger" and/or "consolidation" under the Law, which requires the approval of the Company by Special Resolution only) or spin-off of the Company;
- (d) entering into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
- (e) the transferring of the whole or any essential part of the business or assets of the Company; or
- (f) acquiring or assuming the whole business or assets of another person, which has a material effect on the Company's operation.

12.4 Subject to the Law, the Company may be wound up voluntarily:

- (a) if the Company resolves by Ordinary Resolution that it be wound up voluntarily because the Company is unable to pay its debts as they fall due; or
- (b) if the Company resolves by Special Resolution that it be wound up voluntarily for reasons other than set out in Article 12.4(a) above.

13. Variation of Rights Attaching to Shares

If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the sanction of a Special Resolution passed at a general meeting of the holders of the shares of the class. Notwithstanding the foregoing, if any modification or alteration in the Articles is prejudicial to the preferential rights of any class of shares, such modification or alteration shall be adopted by a Special Resolution and shall also be adopted by a Special Resolution passed at a separate meeting of Members of that class of shares. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith. To any such meeting all the provisions of the Articles relating to general meetings shall apply *mutatis mutandis*.

DIVIDENDS AND CAPITALISATION

14. Dividends

- 14.1** The Board may, subject to approval by the Members by way of Ordinary Resolution or, in the case of Article 12.3(a), Supermajority Resolution and subject to the Articles and any direction of the Company in general meeting, declare a dividend to be paid to the Members in proportion to the number of shares held by them, and such dividend may be paid in cash or shares.
- 14.2** Subject to the Applicable Law, no dividends or other distribution shall be paid except out of profits of the Company, realised or unrealised, out of share premium account or any reserve, fund or account as otherwise permitted by the

Law. Except as otherwise provided by the rights attached to any shares, all dividends and other distributions shall be paid according to the number of the shares that a Member holds. If any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividends accordingly.

- 14.3** Subject to the Law and this Article and except as otherwise provided by the rights attached to any shares, the Company may distribute profits in accordance with a proposal for profits distribution approved by the Board and sanctioned by the Members by an Ordinary Resolution, in annual general meetings.
- 14.4** Upon the final settlement of the Company in the current year, if there is "surplus profit" (as defined below), the Company shall set aside no less than one per cent (1%) as compensation to employees ("**Employees' Compensations**") and Employees' Compensations may be distributed to employees of the Company and its Subsidiaries, who meet certain qualifications. The Company shall, from the surplus profit, set aside no more than three per cent (3%) thereof as remuneration for the Directors ("**Directors' Remuneration**"). The distribution proposals in respect of Employees' Compensation and Directors' Remuneration shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors and submitted to the shareholders' meeting for report. However, if the Company has accumulated losses, the Company shall reserve an amount thereof for making up the losses before proceeding with the above-mentioned distributions and allocation. The "surplus profit" referred to above means the net profit before tax of the Company and for the avoidance of doubt, such amount is before any payment of compensation to employees and remuneration for the Directors.
- 14.5** The Company is in the growth stage. The Board shall prepare the dividend proposal by taking into account the profit of the year, overall development, financial plans, capital requirements, the industry and the Company's prospects and perspectives and so on and submit the proposal for the Members' approval. For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, if there are profits, in making the profits distribution recommendation, the Board shall set aside out of the profits of the Company for each financial year: (i) a reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses incurred in previous years; (iii) ten per cent (10%) as reserve ("**Statutory Reserve**"); and (iv) a special surplus reserve as required by the applicable securities authority of the ROC under the Applicable Public Company Rules.

The remaining balance, if any, together with a part or whole of accumulated undistributed profits in the previous years, subject to the Law and the Applicable Public Company Rules and after having considered the financial, business and operational factors of the Company, may be distributed as dividends to Members in proportion to their shareholdings in the amount of no less than ten per cent (10%) of profit after tax of the relevant year. In the event that dividends are distributed to Members in a combination of share dividend and cash dividend, cash dividend shall be no less than ten per cent (10%) of the total dividends.

- 14.6** The Board shall fix any date as the record date for determining the Members entitled to receive any dividend or other distribution.
- 14.7** For the purpose of determining Members entitled to receive payment of any dividend or other distributions, the Directors may provide that the Register of Members be closed for transfers for five (5) days before the relevant record date or such other period consistent with the Applicable Public Company Rules subject to compliance with the Law.

14.8 No unpaid dividend shall bear interest as against the Company.

15. Reserve and Power to Set Aside Profits

15.1 The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such sum as it thinks proper as a reserve to be used to meet contingencies or for meeting the deficiencies for implementing dividend distribution plans or for any other purpose to which those funds may be properly applied. Pending application, such sums may be in the absolute discretion of the Board either be employed in the business of the Company or invested in such investment as the Board may from time to time think fit, and need not be kept separate from other assets of the Company. The Board may also, without placing the same to reserve, carry forward any profit which it decides not to distribute.

15.2 Subject to any direction from the Company in general meeting, the Board may on behalf of the Company exercise all the powers and options conferred on the Company by the Law in regard to the reserve. Subject to compliance with the Applicable Law and these Articles, the Board may on behalf of the Company set off accumulated losses against credits standing in the reserve and make distributions out of the reserve.

16. Method of Payment

16.1 Any dividend, interest, or other monies payable in cash in respect of the shares may be paid by wire transfer to the Member's designated account or by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members, or to such person and to such address as the holder may in writing direct.

16.2 In the case of joint holders of shares, any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or draft sent through the post directed to the address of the holder first named in the Register of Members, or to such person and to such address as the holder may in writing direct. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend paid in respect of such shares.

16.3 For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the payment of any dividend shall comply with the Applicable Public Company Rules and the Law.

17. Capitalisation

Subject to the Applicable Law and Article 12.3(a), the Board may, with the authority of a Supermajority Resolution, capitalise any sum for the time being standing to the credit of the Capital Reserve, or any sum standing to the credit of the Statutory Reserve which exceeds twenty five per cent (25%) of the issued share capital or any sum standing to the credit of other reserves which are available and permitted for distribution under Applicable Public Company Rules by applying such sum in paying up unissued shares to be allotted as fully paid shares to the Members in proportion to their respective shareholdings in the Company.

MEETINGS OF MEMBERS

18. Annual General Meetings

18.1 The Company shall hold a general meeting as its annual general meeting within

six months following the end of each fiscal year, which shall be called by the Board.

18.2 Subject to Article 18.1, the annual general meeting of the Company may be held at such time and place as the Board shall determine. **18.3** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, unless otherwise provided by the Law, the general meetings shall be held in the ROC. If the Board resolves to hold a general meeting outside the ROC, the Company shall apply for the approval of the TSE/TPEX within two days after the Board adopts such resolution. Where a general meeting is to be held outside the ROC, the Company shall engage a professional stock affairs agent in the ROC to handle the administration of such general meeting (including but not limited to the handling of the voting of proxies submitted by Members).

19. Extraordinary General Meetings

19.1 General meetings other than annual general meetings shall be called extraordinary general meetings.

19.2 The Board may convene an extraordinary general meeting of the Company whenever in their judgment such a meeting is necessary or is desirable.

19.3 For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Board shall on a Member's requisition as defined in Article 19.4 forthwith proceed to convene an extraordinary general meeting of the Company.

19.4 A Member's requisition set forth in Article 19.3 is a requisition of one or more Members of the Company holding in the aggregate at the date of deposit of the requisition not less than three per cent (3%) of the total number of issued shares of the Company which as at that date have been held by such Member(s) for at least one year.

19.5 The Member's requisition must state in writing the matters to be discussed at the extraordinary general meeting and the reason therefor.

19.6 If the Board does not within fifteen (15) days from the date of the deposit of the Member's requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting in the same manner, as nearly as possible, as that in which general meetings may be convened by the Board. If it is proposed that the extraordinary general meeting be held outside the ROC, an application shall be submitted by such requisitionists to the TSE/TPEX for its prior approval.

20. Notice

20.1 Before the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, at least five days' notice of a general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of business to be conducted at the meeting.

20.2 For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, at least thirty (30) days' notice of an annual general meeting, and at least fifteen days' notice of an extraordinary general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of the business to be considered at the meeting. The notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior written consent from the recipient(s) thereof.

- 20.3** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Board shall fix a record date for determining the Members entitled to receive notice of and to vote at any general meeting of the Company in accordance with Applicable Public Company Rules and close its Register of Members accordingly in accordance with Applicable Public Company Rules
- 20.4** Subject to Article 23.4, the accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- 20.5** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Company shall announce to the public the notice of a general meeting, the proxy instrument, agendas and materials relating to the matters to be reported and discussed in the general meetings, including but not limited to, election or discharge of Directors, in accordance with Article 20.2 hereof, and shall transmit the same via the Market Observation Post System in accordance with Applicable Public Company Rules. If the voting power of a Member at a general meeting shall be exercised by way of a written ballot, the Company shall also send the written document for the Member to exercise his voting power together with the above mentioned materials in accordance with Article 20.2. The Directors shall prepare a meeting handbook of the relevant general meeting and supplemental materials, which will be made available to all Members and shall be transmitted to the Market Observation Post System in accordance with the Applicable Public Company Rules.
- 20.6** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the following matters shall be stated in the notice of a general meeting, with a summary of the major content to be discussed, and shall not be proposed as an extemporary motion:
- (a) election or discharge of Directors,
 - (b) alteration of the Memorandum or Articles,
 - (c) (i) dissolution, Merger or spin-off, (ii) entering into, amending, or terminating any Lease Contract, Management Contract or Joint Operation Contract, (iii) transfer of the whole or any essential part of the business or assets of the Company, and (iv) acquisition or assumption of the whole of the business or assets of another person, which has a material effect on the operations of the Company,
 - (d) ratification of an action by Director(s) who engage(s) in business for himself or on behalf of another person that is within the scope of the Company's business,
 - (e) distribution of the whole or part of the surplus profit of the Company in the form of new shares, capitalization of Capital Reserve and any other amount in accordance with Article 17,
 - (f) making distributions of new shares or cash out of the Statutory Reserve , the premium received on the issuance of any shares and income from endowments received by the Company to its Members, and
 - (g) Private Placement of any equity-related securities to be issued by the Company.
- 20.7** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Board shall keep the Memorandum and Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the Registered

Office (if applicable) and the Company's stock affairs agent located in the ROC. Members may request, from time to time, by submitting document(s) evidencing his interests involved and indicating the designated scope of the inspection, access to inspect, review or make copies of the foregoing documents.

- 20.8** For so long as the shares are traded on the ESM or listed on the TPEx or the TSE in Taiwan, the Company shall make available all the statements and records prepared by the Board and the report prepared by the Audit Committee which will be submitted to the Members at the annual general meeting at the Registered Office (if applicable) and its stock affairs agent located in the ROC ten (10) days prior to such annual general meeting in accordance with Applicable Public Company Rules. Members may inspect and review the foregoing documents from time to time and may be accompanied by their lawyers or certified public accountants for the purpose of such inspection and review.

21. Giving Notice

- 21.1** Any Notice or document, whether or not to be given or issued under the Articles from the Company to a Member, shall be in writing either by delivering it to such Member in person or by sending it by letter mail or courier service to such Member at his registered address as appearing in the Register of Members or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address. For the purposes of this Article, a notice may be sent via electronic means if so agreed to by the shareholder in writing.

- 21.2** Any Notice or other document shall be deemed to be effective when it is sent in accordance with Articles 20 and 21 of these Articles. Any Notice or document may be given to a Member either in the Chinese language or the English language, subject to due compliance with all Applicable Law, rules and regulations.

This Article shall apply *mutatis mutandis* to the service of any document by a Member on the Company under the Articles.

22. Postponement of General Meeting

The Board may postpone any general meeting called in accordance with the provisions of the Articles provided that notice of postponement is given to each Member before the time for such meeting. A notice stating the date, time and place for the postponed meeting shall be given to each Member in accordance with the provisions of the Articles provided that in the event that the Members resolve to postpone the general meeting to a specified date which is not more than five days, Articles 20.1, 20.2, 20.3, 20.4, 20.5, 20.6 and 21 do not apply and notice of the adjournment shall not be required.

23. Quorum and Proceedings at General Meetings

- 23.1** No resolutions shall be adopted unless a quorum is present. Unless otherwise provided for in the Articles, Members present in person or by proxy or in the case of a corporate Member, by corporate representative, representing more than one-half of the total issued shares of the Company entitled to vote, shall constitute a quorum for any general meeting.

- 23.2** For so long as the shares are traded on the ESM or listed on the TPEx or the TSE in Taiwan, the Board shall submit business reports, financial statements

and proposals for distribution of profits or allocation of losses prepared by it for the purposes of annual general meetings of the Company for ratification by the Members in a manner consistent with the Applicable Public Company Rules. After ratification by the Members at the general meeting, the Board shall distribute copies of or announce to the public the ratified financial statements and the Company's resolutions on distribution of profits or allocation of losses, to each Member or otherwise make the same available to the Members in accordance with the Applicable Public Company Rules.

- 23.3** Unless otherwise provided in the Articles, a resolution put to the vote of the meeting shall be decided on a poll.
- 23.4** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, if and to the extent permitted under the Law, nothing in the Articles shall prevent any Member from initiating proceedings in a court of competent jurisdiction for an appropriate remedy in connection with the convening of any general meeting or the passage of any resolution in violation of applicable laws or regulations or the Articles within 30 days after passing of such resolution. The Taiwan Taipei District Court, ROC, may be the court for adjudicating any disputes arising out of the foregoing.
- 23.5** Unless otherwise expressly required by the Law, the Memorandum or the Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Members at any general meeting may be passed by an Ordinary Resolution.
- 23.6** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, member(s) holding one per cent (1%) or more of the Company's total issued shares immediately prior to the relevant book close period, during which the Company closed its Register of Members, may propose to the Company in writing one matter for discussion at an annual general meeting. The Company shall give a public notice in such manner and at such time as permitted by Applicable Law specifying the place and a period of not less than ten (10) days for Members to submit proposals. Proposals submitted for discussion at an annual general meeting shall not be included in the agenda of the annual general meeting where (a) the proposing Member(s) holds less than one cent (1%) of the Company's total issued shares, (b) the matter of such proposal may not be resolved by a general meeting; (c) the proposing Member(s) has proposed more than one proposal; or (d) the proposal is submitted to the Company after the date fixed and announced by the Company for accepting Member(s)' proposal(s).
- 23.7** The rules and procedures of general meetings shall be established by the Board and approved by an Ordinary Resolution, and such rules and procedures shall be in accordance with the Law, these Articles and the Applicable Public Company Rules.

24. Chairman to Preside

- 24.1** In the event that the general meeting is convened by the Board, the Chairman shall act as chairman at all meetings of the Members at which such person is present. In his absence the Directors who are present at the meeting of Members shall elect one from among themselves to act as the chairman at such meeting in lieu of the Chairman.
- 24.2** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the chairman at all meetings of the Members shall be appointed or elected in accordance with the Applicable Public Company Rules.

25. Voting on Resolutions

- 25.1** Subject to any rights, privileges or restrictions attached to any share, every Member who (being an individual) is present in person or by proxy or (in the case of a corporation or other non-natural person) by duly authorized corporate representative(s) or by proxy shall have one vote for every share of which he is the holder. A Member who holds shares for benefit of others, need not use all his votes or cast all the votes he holds in the same way as he uses his votes in respect of shares he holds for himself. The qualifications, scope, methods of exercise, operating procedures and other matters with respect to exercising voting power separately shall comply with the Applicable Public Company Rules.
- 25.2** No person shall be entitled to vote at any general meeting or at any separate meeting of the holders of a class of shares unless he is registered as a Member on the record date for such meeting nor unless he has paid all the calls on all shares held by such Member.
- 25.3** Votes may be cast either in person or by proxy. A Member may appoint another person as his proxy by specifying the scope of appointment in the proxy instrument prepared by the Company to attend and vote at a general meeting, provided that a Member may appoint only one proxy under one instrument to attend and vote at such meeting.
- 25.4** Subject to the Law, for so long as the shares are traded on the ESM or listed on the TPEx or the TSE in Taiwan, the Board may determine that the voting power of a Member at a general meeting may be exercised by way of a written ballot or by way of electronic transmission; provided, however, that the Company shall provide the Members with a method for exercising their voting power by way of a written ballot or electronic transmission if a general meeting is to be held outside the ROC or otherwise required under the Applicable Public Company Rules. The method for exercising such voting power shall be described in the general meeting notice to be given to the Members if the voting power may be exercised by way of a written ballot or electronic transmission. Any Member who intends to exercise his voting power by way of a written ballot or by way of electronic transmission shall serve the Company with his voting decision at least two (2) days prior to the date of such general meeting. Where more than one voting decision are received from the same Member by the Company, the first voting decision shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous voting decision in the later-received voting decision. A Member who exercises his voting power at a general meeting by way of a written ballot or by electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to vote his shares at the general meeting only in the manner directed by his written instrument or electronic document. The chairman of the general meeting as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electronic document and/or any amendment to resolution(s) proposed at the said general meeting. For the purpose of clarification, such Members voting in such manner shall be deemed to have waived their voting rights with respect to any extemporaneous matters or amendment to resolution(s) proposed at the general meeting.
- 25.5** In the event any Member who intended to exercise his voting power by way of a written ballot or electronic transmission and has served his voting decision on the Company pursuant to Article 25.4 hereof later intends to attend the general meetings in person, he shall, at least two (2) days prior to the date of such general meeting, serve the Company with a separate notice revoking his previous voting decision. Such separate notice shall be sent to the Company in the same manner (e.g., by courier, registered mail or electronic transmission, as applicable) as the previous voting decision under Article 25.4 was given to the Company. Votes by way of a written ballot or electronic transmission shall remain valid if the relevant Member fails to revoke his voting decision before

the prescribed time.

- 25.6** A Member who has served the Company with his voting decision in accordance with Article 25.4 for the purpose of exercising his voting power by way of a written ballot or by way of electronic transmission may appoint a person as his proxy to attend the meeting in accordance with the Articles, in which case the vote cast by such proxy shall be deemed to have revoked his previous voting decision served on the Company and the Company shall only count the vote(s) cast by such expressly appointed proxy at the meeting.

26. Proxies

- 26.1** The instrument of proxy shall be in the form approved by the Board from time to time and be expressed to be for a particular meeting only. The form of proxy shall include at least the following information: (a) instructions on how to complete such proxy, (b) the matters to be voted upon pursuant to such proxy, and (c) basic identification information relating to the relevant Member, proxy and the solicitor (if any). The form of proxy shall be provided to the Members together with the relevant notice for the relevant general meeting, and such notice and proxy materials shall be distributed to all Members on the same day.
- 26.2** An instrument of proxy shall be in writing, be executed under the hand of the appointor, or, if the appointor is a corporation or other non-natural person, under the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Member of the Company.
- 26.3** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, subject to the Applicable Public Company Rules, except for an ROC trust enterprise or stock affair agents approved pursuant to Applicable Public Company Rules, save with respect to the Chairman being deemed appointed as proxy under Article 25.4, in the event a person acts as the proxy for two or more Members, the total number of issued and voting shares entitled to be voted as represented by such proxy shall be no more than three per cent (3%) of the total number of issued and voting shares of the Company immediately prior to the relevant book closed period, during which the Company close its Register of Member; any vote in respect of the portion in excess of such three per cent (3%) threshold shall not be counted.
- 26.4** In the event that a Member exercises his voting power by way of a written ballot or electronic transmission and has also authorised a proxy to attend a general meeting, then the voting power exercised by the proxy at the general meeting shall prevail. In the event that any Member who has authorised a proxy to attend a general meeting later intends to attend the general meeting in person or to exercise his voting power by way of a written ballot or electronic transmission, he shall, at least two (2) days prior to the date of such general meeting, serve the Company with a separate notice revoking his previous appointment of the proxy. Votes by way of proxy shall remain valid if the relevant Member fails to revoke his appointment of such proxy before the prescribed time.
- 26.5** The instrument of proxy shall be deposited at the Registered Office or the office of the Company's stock affairs agent in the ROC or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company not less than five (5) days before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, save with respect to the Chairman being deemed appointed as proxy under Article 25.4. Where more than one instrument to vote are received from the same Member by the Company, the first instrument received shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous proxy in the later-received instrument.

27. Proxy Solicitation

For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the use and solicitation of proxies shall be in compliance with the Applicable Public Company Rules, including but not limited to "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."

28. Dissenting Member's Appraisal Right

28.1 Subject to compliance with the Law, in the event any of the following resolutions is passed at general meetings, any Member who has notified the Company in writing of his objection to such matter prior to the meeting and has raised again his objection at the meeting, may request the Company to purchase all of his shares at the then prevailing fair price:

- (a) the Company proposes to enter into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
- (b) the Company transfers the whole or an essential part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company; or
- (c) acquires or assumes the whole business or assets of another person, which has a material effect on the operation of the Company.

28.2 In the event any part of the Company's business is spun off or involved in any Merger, any Member, who has abstained from voting in respect of such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the general meeting approving such spin off or Merger, may request the Company to purchase all of his shares at the then prevailing fair price.

29. Shares that May Not be Voted

29.1 Shares held:

- (a) by the Company itself;
- (b) by any entity in which the Company owns, legally or beneficially, more than fifty per cent (50%) of its total issued and voting share or share capital; or
- (c) by any entity in which the Company, together with (i) the holding company of the Company and/or (ii) any Subsidiary of (a) the holding company of the Company or (b) the Company owns, legally or beneficially, directly or indirectly, more than fifty per cent (50%) of its issued and voting share or share capital.

shall not carry any voting rights nor be counted in the total number of issued shares at any given time but only for so long as the circumstances as set out in sub-paragraphs (a) to (c) (as applicable) above continue.

29.2 A Member who has a personal interest in any motion discussed at a general meeting, which interest may be in conflict with and impair those of the Company, shall abstain from voting such Member's shares in regard to such motion and such shares shall not be counted in determining the number of votes of the Members present at the said meeting. However, such shares may be counted in determining the number of shares of the Members present at such general meeting for the purposes of determining the quorum. The aforementioned Member shall also not vote on behalf of any other Member.

29.3 For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, if the number of shares pledged by a Director at any time amounts to more than 50% of the total shares held by such Director at the time of his latest appointment, such pledged shares exceeding 50% of the total shares held by such Director at the time of his latest appointment, up to 50% of the total number of shares held by the Director at the time of his latest appointment, shall not carry any voting rights and such above-threshold shares shall not be counted in determining the number of votes of the Members present at a general meeting but shall be counted towards the quorum of the general meeting.

30. Voting by Joint Holders of Shares

In the case of joint holders, the joint holders should appoint among themselves one person to exercise the rights of a shareholder pursuant to the Applicable Public Company Rules. In case no agreement is reached among the joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

31. Representation of Corporate Member

31.1 A corporation or non-natural person which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting of the Members and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation or such non-natural person which such person represents as that corporation or non-natural person could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

31.2 Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation or non-natural person which is a Member.

32. Adjournment of General Meeting

The chairman of a general meeting may, with the consent of a majority in number of the Members present at any general meeting at which a quorum is present, and shall if so directed, adjourn the meeting. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned and the meeting is adjourned for more than five (5) days, a notice stating the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat in accordance with the provisions of the Articles.

33. Directors Attendance at General Meetings

The Directors of the Company shall be entitled to receive notice of, attend and be heard at any general meeting.

DIRECTORS AND OFFICERS

34. Number and Term of Office of Directors

34.1 There shall be a Board consisting of no less than seven (7) and no more than nine (9) persons. The term of office for each Director shall not exceed a period of three (3) years provided that in the event the expiration of the term of office of such Directors would otherwise leave the Company with no Directors, the term of office of such Directors shall be extended automatically to the date of the general meeting next following the expiration of such term, at which new Directors will be elected to assume office. Directors may be eligible for re-election. The Company may from time to time by Special Resolution increase or reduce the number of Directors, subject to the foregoing and the Applicable Law.

34.2 For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the number of Directors having a spousal relationship or

familial relationship within the second degree of kinship with any other Directors shall be less than half of the total number of Directors.

- 34.3** In the event that the Company convenes a general meeting for the election of Directors and any of the Directors elected does not meet the requirements provided in Article 34.2 hereof, the non-qualifying Director(s) who was elected with the fewest number of votes shall be deemed not to have been elected, to the extent necessary to meet the requirements provided for in Article 34.2 hereof. Any person who has already served as a Director but is in violation of the aforementioned requirements shall be automatically discharged from his office effective from such violation without any action required on behalf of the Company.
- 34.4** For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors and the number of Independent Directors shall not be less than one-fifth of the total number of Directors. To the extent required by the Applicable Public Company Rules, at least one of the Independent Directors shall be domiciled in the ROC and at least one of them shall have accounting or financial expertise. Before the shares are listed on the TPEX or the TSE in Taiwan, the Board may resolve that the Company shall hold an election of Independent Director(s) at the general meeting.
- 34.5** The Directors (including Independent Directors and Non-Independent Directors) may be nominated by adopting the candidate nomination system specified in the Applicable Public Company Rules provided that the Independent Directors shall be nominated by adopting the candidate nomination system specified in the Applicable Public Company Rules for so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan.
- 34.6** Independent Directors shall have professional knowledge and shall maintain independence within the scope of their directorial duties, and shall not have any direct or indirect interests in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions, and assessment of independence with respect to Independent Directors shall be consistent with the Applicable Public Company Rules.

35. Election of Directors

- 35.1** The Company may at a general meeting elect any person to be a Director, which vote shall be calculated in accordance with Article 35.2 below. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to elect one or more Directors.
- 35.2** The Director(s) shall be elected 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:
- (a) 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;
 - (b) the Member(s) may vote all or part of their cumulated votes in respect of one or more Director candidates;
 - (c) such number of Director candidates receiving the highest number of votes in the same category (namely, independent or non-independent) of Directors to be elected shall be appointed; and
 - (d) where two or more Director candidates in the same category receive the same number of votes and as a result the total number of new Directors in

such category intended to be appointed is exceeded, there shall be a draw by such Director candidates receiving the same number of votes to determine who shall be appointed; the chairman of the meeting shall draw for a Director nominated for appointment who is not present at the general meeting.

- 35.3** For so long as the shares are traded on the ESM or listed on the TPEx or the TSE in Taiwan, if the number of Independent Directors is less than three (3) persons due to the resignation or removal of such Independent Directors for any reason, the Company shall hold an election of Independent Directors at the next following general meeting. If all of the Independent Directors are resigned or removed, the Board shall hold, within sixty (60) days from the date of resignation or removal of last Independent Director, a general meeting to elect succeeding Independent Directors to fill the vacancies.
- 35.4** For so long as the shares are traded on the ESM or listed on the TPEx or the TSE in Taiwan, if the number of Directors is less than seven (7) persons due to the vacancy of Director(s) for any reason, the Company shall call an election of Director(s) at the next following general meeting to fill the vacancies. When the number of vacancies in the Board of the Company equals to one third of the total number of Directors elected, the Board shall hold, within sixty (60) days from the date of the occurrence of vacancies, a general meeting to elect succeeding Directors to fill the vacancies.
- 35.5** Any corporation (or other legal entity) which is a Member shall be entitled to appoint such person or persons as its representative to be elected as a Director (the "Appointed Representative"). The election of an Appointed Representative as a Director is subject to the approval of Members in accordance with the provisions of this Article 35.
- 35.6** Where the Appointed Representative has been elected as a Director of the Company, the corporation (or other legal entity) which is a Member which has appointed the Appointed Representative to be elected as a Director, may at any time, serve notice on the Company giving notice to replace the Appointed Representative with another person. Such replacement of the Appointed Representative as a Director (the "**Replacement**") shall take effect from the date specified in the notice or in the absence of such date, from the date on which the notice was served on the Company, and will not require any shareholders' approval. Accordingly, Articles 35.1, 35.2 and 35.5 do not apply in respect of the Replacement.

36. Removal of Directors

- 36.1** The Company may from time to time by Supermajority Resolution remove any Director from office. Where re-election of all Directors is effected by a resolution adopted at a general meeting prior to the expiration of the term of office of existing Directors, the term of office of all current Directors is deemed to have expired on the date of the re-election or any other date as otherwise resolved by the Members at the general meeting if the Members do not resolve that all current Directors will only retire at the expiration of their present term of office. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to re-elect all Directors. If the term of office of all Directors expires at the same time and no general meeting was held before such expiry for re-election, their term of office shall continue and be extended to such time when new Directors are elected or re-elected in the next general meeting and they commence their office.
- 36.2** For so long as the shares are traded on the ESM or listed on the TPEx or the TSE in Taiwan, in case a Director has, in the course of performing his duties, committed any act resulting in material damages to the Company or is in serious violation of applicable laws, regulations and/or the Articles, but has not been

removed by a Supermajority Resolution, the Member(s) holding three per cent (3%) or more of the total number of issued shares of the Company may, within thirty (30) days after such general meeting, to the extent permissible under Applicable Law, institute a lawsuit to remove such Director. The Taiwan Taipei District Court, ROC, may be the court of for this matter.

37. Vacation of Office of Director

37.1 The office of Director shall be vacated:

- (a) if the Director is removed from office pursuant to the Articles;
- (b) if the Director dies;
- (c) if the Director is automatically discharged from his office in accordance with Article 34.3;
- (d) if the Director resigns his office by notice in writing to the Company;
- (e) if the Director is the subject of a court order for his removal in accordance with Article 36.2; or
- (f) with immediate effect without any action required on behalf of the Company if
 - (i) the Director has been adjudicated bankrupt, and has not been reinstated to his rights and privileges;
 - (ii) an order is made by any competent court or official on the grounds that the Director has no legal capacity, or his legal capacity is restricted according to Applicable Law;
 - (iii) the Director has committed an offence as specified in the ROC statute of prevention of organizational crimes and subsequently has been adjudicated guilty by a final judgment, and the time elapsed after he has served the full term of the sentence is less than five years;
 - (iv) the Director has committed an offence in terms of fraud, breach of trust or misappropriation and subsequently has been punished with imprisonment for a term of more than one year, and the time elapsed after he has served the full term of such sentence is less than two years;
 - (v) the Director has been adjudicated guilty by a final judgment for misappropriating public funds during the time of his public service, and the time elapsed after he has served the full term of such sentence is less than two years; or
 - (vi) the Director has been dishonored for use of credit instruments, and the term of such sanction has not expired yet.

In the event that any of the foregoing events specified in Article 37(f) has occurred in relation to a candidate for election of Director, such person shall be disqualified from being elected as a Director.

37.2 In case a Director has, during the term of office as a Director, transferred more than one half of the Company's shares being held by him at the time he is elected, he shall, ipso facto, be removed automatically from the position of Director with immediate effect and no shareholders' approval shall be required.

37.3 If any Director has, after having been elected as a Director and before his inauguration of the office of director, transferred more than one half of the Company's shares being held by him at the time of his election as a Director, then he shall immediately cease to be a Director and no shareholders' approval shall be required. If any Director has, after having been elected as a Director, transferred more than one half of the Company's shares then being held by him within the share transfer prohibition period prior to a shareholders' meeting according to the Applicable Public Company Rules, then he shall immediately cease to be a Director and no shareholders' approval shall be required.

38. Compensation of Directors

38.1 For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Board shall, in accordance with the Applicable Public Company Rules, establish a Compensation Committee comprised of at least three members, one of whom shall be an Independent Director. The professional qualifications of the members of the Compensation Committee, the responsibilities, powers and other related matters of the Compensation Committee shall comply with the Applicable Public Company Rules. Upon the establishment of the Compensation Committee, the Board shall, by a resolution, adopt a charter for the Compensation Committee the provisions of which shall be consistent with the Applicable Public Company Rules. Before the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Board may resolve to establish a Compensation Committee.

38.2 The compensation referred in the preceding Article shall include the compensation, stock option and other incentive payments of Directors and managers of the Company.

38.3 The compensation of the Directors may be decided by the Board by reference to recommendation made by the Compensation Committee (if established), the standard generally adopted by other enterprises in the same industry, and shall be paid in cash only. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally. A Director is also entitled to distribution of profits of the Company if permitted by the Law, the Applicable Public Company Rules, the service agreement or other similar contract that he/she has entered into with the Company.

39. Defect in Election of Director

Subject to Article 23.4 and the Applicable Law, all acts done in good faith by the Board or by a committee of the Board or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the election of any Director, or that they or any of them were disqualified, be as valid as if every such person had been duly elected and was qualified to be a Director.

40. Directors to Manage Business

The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Law or by the Articles, required to be exercised by the Company in general meeting subject, nevertheless, to the Articles, the provisions of the Law, and to such directions as may be prescribed by the Company in general meeting.

41. Powers of the Board of Directors

Without limiting the generality of Article 40 and subject to the Applicable Law, the Board may:

- (a) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their compensation and determine their duties;
- (b) exercise all the powers of the Company to borrow money and to mortgage or charge or otherwise grant a security interest in its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;
- (c) appoint one or more Directors to the office of managing director or chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;
- (d) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;
- (e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney. Such attorney may, if so authorised, execute any deed or instrument in any manner permitted by the Law;
- (f) procure that the Company pays all expenses incurred in promoting and incorporating the Company;
- (g) delegate any of its powers (including the power to sub-delegate) to a committee of one or more persons appointed by the Board and every such committee shall conform to such directions as the Board shall impose on them. Subject to any directions or regulations made by the Directors for this purpose, the meetings and proceedings of any such committee shall be governed by the provisions of the Articles regulating the meetings and proceedings of the Board;
- (h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board sees fit;
- (i) present any petition and make any application in connection with the liquidation or reorganisation of the Company;
- (j) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and
- (k) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any agreement, document or instrument on behalf of the Company.

42. Register of Directors and Officers

42.1 The Board shall cause to be kept in one or more books at the Registered Office a Register of Directors and Officers in accordance with the Law and shall enter therein the following particulars with respect to each Director and Officer:

- (a) first name and surname; and
- (b) address.

42.2 The Board shall, within the period of thirty days from the occurrence of:-

- (a) any change among its Directors and Officers; or
- (b) any change in the particulars contained in the Register of Directors and Officers,

cause to be entered on the Register of Directors and Officers the particulars of such change and the date on which such change occurred, and shall notify the Registrar of Companies in accordance with the Law.

43. Officers

The Officers shall consist of a Secretary and such additional Officers as the Board may determine all of whom shall be deemed to be Officers for the purposes of the Articles.

44. Appointment of Officers

The Secretary (and additional Officers, if any) shall be appointed by the Board from time to time.

45. Duties of Officers

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

46. Compensation of Officers

The Officers shall receive such compensation as the Board may determine.

47. Conflicts of Interest

47.1 Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to compensation as if such Director were not a Director; provided that this Article 47.1 shall not apply to Independent Directors.

47.2 Notwithstanding anything to the contrary contained in this Article 47, a Director who is directly or indirectly interested in any matter under discussion at a meeting of the Directors or a contract or proposed contract or arrangement with the Company shall declare the nature and the essential contents of such interest at the relevant meeting of the Directors as required by the Applicable Law.

47.3 Notwithstanding anything to the contrary contained in this Article 47, a Director who has a personal interest in the matter under discussion at a meeting of the Directors, which may conflict with and impair the interest of the Company, shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting.

47.4 Notwithstanding anything to the contrary contained in this Article 47, a Director who is engaged in anything on his own account or on behalf of another person, which is within the scope of the Company's business, shall explain to the Members in a general meeting the essential contents of such conduct and seek their approval by Supermajority Resolution.

48. Indemnification and Exculpation of Directors and Officers

48.1 The Directors and Officers of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and every former director, officer or trustee and their respective heirs, executors, administrators, and personal representatives (each of which persons being referred to in this Article as an "indemnified party") shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud, dishonesty or breach of duties provided under Article 48.4 which may attach to any of the said persons.

48.2 The Company may purchase and maintain insurance for the benefit of any Director or Officer of the Company against any liability incurred by him in his capacity as a Director or Officer of the Company or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any Subsidiary thereof.

48.3 To the extent permitted under the laws of the Cayman Islands, Members continuously holding three per cent (3%) or more of the total issued shares of the Company for a year or longer may:

- (a) request in writing the Board to authorise any Independent Director of the Audit Committee to file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors; or
- (b) request in writing any Independent Director of the Audit Committee to file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors; or

the Member(s) may, to the extent permitted under the laws of the Cayman Islands, file a petition with the Taipei District Court, ROC for and on behalf of the Company against the relevant Directors within thirty (30) days after such Member(s) having made the request under the preceding clause (a) or (b) if (i) in the case of clause (a), the Board fails to make such authorisation or the Independent Director of the Audit Committee having been authorised by the Board fails to file such petition, or (ii) in the case of clause (b), the Independent Director of the Audit Committee fails to file such petition.

48.4 Without prejudice and subject to the general directors' duties that a Director owe to the Company and its shareholders under common law principals and the laws of the Cayman Islands, a Director shall perform his fiduciary duties of loyalty and due care of a good administrator in the course of conducting the Company's business, and shall indemnify the Company, to the maximum extent legally

permissible, from any loss incurred or suffered by the Company arising from breach of his fiduciary duties. If a Director has made any profit for the benefit of himself or any third party as a result of any breach of his fiduciary duties, the Company shall, if so resolved by the Members by way of an Ordinary Resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover such profit from such relevant Director. If a Director has, in the course of conducting the Company's business, violated any laws or regulations that causes the Company to become liable for any compensation or damages to any person, such Director shall become jointly and severally liable for such compensation or damages with the Company and if any reason such Director is not made jointly and severally liable with the Company, such Director shall indemnify the Company for any loss incurred or suffered by the Company caused by a breach of duties by such Director. The Officers, in the course of performing their duties to the Company, shall assume such duties and obligations to indemnify the Company in the same manner as if they are Directors.

MEETINGS OF THE BOARD OF DIRECTORS

49. Board Meetings

- 49.1** Board meetings shall be convened by the Chairman, and the Board may meet for the transaction of
- 49.2** The Company shall hold regular meetings of the Board at least on a quarterly basis and for so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, such meetings shall be held in compliance with the Applicable Public Company Rules.
- 49.3** A resolution shall be passed by a majority vote of the Directors present at the meeting and entitled to vote on such resolution, and in the case of equality of votes the resolution shall fail. For these purposes, where Directors present and entitled to vote at the meeting do not cast a vote at the meeting, such Directors will be deemed to vote against the resolution.

50. Notice of Board Meetings

- 50.1** The Chairman may, and the Secretary on the requisition of the Chairman shall, at any time summon a meeting of the Board.
- 50.2** Before the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, at least 48 hours prior notice shall be given for any meeting of the Board provided that in the case of urgent circumstances as agreed by more than one-half of the total number of the Directors, a meeting of the Board may be convened on short notice, or be held anytime after notice has been given to every Director or be convened without prior notice if all Directors agree. For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, to convene a meeting of the Board, a notice setting forth therein the matters to be considered and if appropriate, approved at the meeting shall be given to each Director no later than seven (7) days prior to the scheduled meeting date. However, in the case of emergency as agreed by more than one-half of the total number of the Directors, the meeting may be convened with a shorter notice period in a manner consistent with the Applicable Public Company Rules. For the purposes of this Article, a notice may be sent via electronic means if so agreed to by the Directors.

51. Participation in Meetings by Video Conference

Directors may participate in any meeting of the Board by means of video conference or other communication facilities, as permitted by the Applicable Law, where all persons participating in the meeting to communicate with each other simultaneously

and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

52. Quorum at Board Meetings

The quorum for a meeting of the Board shall be more than one-half of the total number of the Directors.

53. Board to Continue in the Event of Vacancy

The Board may act notwithstanding any vacancy in its number.

54. Chairman to Preside

The Chairman, if there be one, shall act as chairman at all meetings of the Board at which such person is present. In his absence a chairman shall be appointed or elected in accordance with the Applicable Public Company Rules.

55. Validity of Prior Acts of the Board

No regulation or alteration to the Articles made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

CORPORATE RECORDS

56. Minutes

The Board shall cause minutes to be duly entered in books provided for the purpose:

- (a) of all elections and appointments of Officers;
- (b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and
- (c) of all resolutions and proceedings of general meetings of the Members, meetings of the Board, meetings of managers and meetings of committees appointed by the Board.

57. Register of Mortgages and Charges

57.1 The Directors shall cause to be kept the Register of Mortgages and Charges required by the Law.

57.2 The Register of Mortgages and Charges shall be open to inspection by Members and creditors in accordance with the Law, at the Registered Office on every business day in the Cayman Islands, subject to such reasonable restrictions as the Board may impose, so that not less than two (2) hours in each such business day be allowed for inspection.

58. Form and Use of Seal

58.1 The Seal shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf; and, until otherwise determined by the Directors, the Seal shall be affixed in the presence of a Director or the Secretary or an assistant secretary or some other person authorised for this purpose by the Directors or the committee of Directors.

58.2 Notwithstanding the foregoing, the Seal may without further authority be

affixed by way of authentication to any document required to be filed with the Registrar of Companies in the Cayman Islands, and may be so affixed by any Director, Secretary or assistant secretary of the Company or any other person or institution having authority to file the document as aforesaid.

- 58.3** The Company may have one or more duplicate Seals, as permitted by the Law; and, if the Directors think fit, a duplicate Seal may bear on its face of the name of the country, territory, district or place where it is to be issued.

TENDER OFFER AND ACCOUNTS

59. Tender Offer

For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, within fifteen (15) days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its Litigious and Non-Litigious Agent, 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 and number of the shares held by the Directors and the Members holding more than ten per cent (10%) of the total issued shares in their own names or in the names of other persons.
- (b) the result of the verification on the identity and the financial conditions of the offeror, the fairness of the tender offer conditions and the reasonableness of the offeror's fund source, and recommendations to the Members on the tender offer, which shall set forth the Directors' specific consenting or dissenting opinions on the tender offer and the reason(s) therefor.
- (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.
- (d) the types, numbers and amount of the shares of the tender offeror or its affiliates held by the Directors and the Members holding more than ten per cent (10%) of the total number of issued shares held in their own names or in the name of other persons.

60. Books of Account

60.1 The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;
- (b) all sales and purchases of goods by the Company; and
- (c) all assets and liabilities of the Company.

Such books of account shall be kept for at least five (5) years from the date they are prepared.

60.2 Such records of account shall be kept and proper books of account shall not be deemed to be kept with respect to the matters aforesaid if there are not kept, at such place as the Board thinks fit, such books as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

60.3 The instruments of proxy, documents, forms/statements and information in

electronic media prepared in accordance with the Articles and relevant rules and regulations shall be kept for at least one (1) year. However, if a Member institutes a lawsuit with respect to such instruments of proxy, documents, forms/statements and/or information mentioned herein, they shall be kept until the conclusion of the litigation if longer than one (1) year.

61. Financial Year End

Unless the Directors otherwise specify, the financial year of the Company:

- (a) shall end on 31st December in the year of its incorporation and each following year; and
- (b) shall begin when it was incorporated and on 1st January each following year.

AUDIT COMMITTEE

62. Number of Audit Committee Members

For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Board shall set up an Audit Committee. The Audit Committee shall comprise solely of Independent Directors and all Independent Directors shall be members of the Audit Committee. The number of Audit Committee members shall not be less than three (3). One of the Audit Committee members shall be appointed as the convener to convene meetings of the Audit Committee and at least one of the Audit Committee members shall have accounting or financial expertise. The meetings of the Audit Committee shall be convened at least once every quarter and may be convened from time to time as necessary. A valid resolution of the Audit Committee requires approval of one-half or more of all its members. Before the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Board may resolve to establish an Audit Committee.

63. Powers of Audit Committee

63.1 The Audit Committee (if established) shall have the responsibilities and powers as specified under the Applicable Public Company Rules. Any of the following matters of the Company shall require the consent of one-half or more of all Audit Committee members and be submitted to the Board for resolution:

- (a) adoption of or amendment to an internal control system;
- (b) assessment of the effectiveness of the internal control system;
- (c) adoption of or amendment to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others;
- (d) any matter relating to the personal interest of the Directors;
- (e) a material asset or derivatives transaction;
- (f) a material monetary loan, endorsement, or provision of guarantee;
- (g) the offering, issuance, or Private Placement of any equity-related securities;
- (h) the hiring or dismissal of an attesting certified public accountant, or the

compensation given thereto;

- (i) the appointment or discharge of a financial, accounting, or internal auditing officer;
- (j) approval of annual and semi-annual/second quarter financial reports (if applicable under the Applicable Public Company Rules); and
- (k) any other matter so determined by the Company from time to time or required by any competent authority overseeing the Company.

With the exception of item (j), any other matter that has not been approved with the consent of one-half or more of all Audit Committee members may be undertaken upon the consent of two-thirds or more of the members of the Board, and the resolution of the Audit Committee shall be recorded in the minutes of the Directors meeting.

63.2 Subject to the Applicable Law and to the extent permitted under the laws of the Cayman Islands, the Independent Directors of the Audit Committee shall supervise the execution of business operations of the Company, and may at any time or from time to time investigate the business and financial conditions of the Company, examine the accounting books and documents, and request the Board or officers to report on matters referred to above. Subject to the Applicable Law and to the extent permitted under the laws of the Cayman Islands, the Board may authorise any Independent Director of the Audit Committee to appoint on behalf of the Company, a practicing lawyer and independent auditors to conduct the examination.

63.3 The Audit Committee shall audit the various financial statements and records prepared by the Board for submission to the general meeting, and shall report their findings and opinions at such meeting.

VOLUNTARY DISSOLUTION AND WINDING-UP

64. Voluntary Dissolution and Winding-Up

64.1 The Company may be voluntarily wound-up in accordance with Article 12.4.

64.2 If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution, divide amongst the Members in specie or in 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 of Members subject to the Applicable Law. The liquidator may, with the like sanction, vest the whole or any part of such assets in the 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 shares or other securities or assets whereon there is any liability.

CHANGES TO CONSTITUTION

65. Changes to Articles

Subject to the Law and to the conditions contained in its Memorandum, the Company may, by Special Resolution, alter or add to its Articles.

LITIGIOUS AND NON-LITIGIOUS AGENT

66. Appointment of Litigious and Non-Litigious Agent

For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the Company shall appoint a Litigious and Non-Litigious Agent pursuant to the Applicable Law to act as the Company's responsible person in the ROC under the Securities and Exchange Law of the ROC to handle matters stipulated in the Securities and Exchange Law of the ROC and the relevant rules and regulations thereto. The Litigious and Non-Litigious Agent shall be an individual who has a residence or domicile in the ROC.

OTHERS

67. ROC Securities Laws and Regulations

For so long as the shares are traded on the ESM or listed on the TPEX or the TSE in Taiwan, the qualifications, composition, appointment, removal, exercise of functions and other matters with respect to the Directors, Independent Directors, Compensation Committee and Audit Committee which are required to be followed by the Company shall comply with the applicable ROC securities laws and regulations.

68. Delisting Resulted from Certain Events

If the Company proposes to undertake:

- (a) a merger or consolidation which will result in the Company being dissolved;
- (b) a sale, transfer or assignment of all of the Company's assets and businesses to another entity;
- (c) a share swap; or
- (d) a demerger (spin off),

which would cause or result in the delisting of the Company from the TPEX or the TSE, and where (in the case of (a) above) the surviving entity, (in the case of (b) above) the transferee, (in the case of (c) above) the entity whose shares has been allotted in exchange for the Company's shares and, (in the case of (d) above) the existing or newly incorporated spun-off company is not a listed company on the TPEX or the TSE, then in addition to any requirements to be satisfied under the Law, such action shall be first approved at a general meeting by a resolution passed by members holding two-thirds or more of the votes of the total number of issued shares of the Company.

Appendix 2

Jinan Acetate Chemical Co.,LTD.

Operational Procedures for Acquisition and Disposal of Assets

Article 1 Purpose

In order to protect investment and to ensure publication of information, acquisitions or disposals of assets by the Company (including its direct and indirect subsidiaries) are governed by these Regulations.

Article 2 Legislative Basis

1. These Regulations are established in accordance with Article 36-1 of the Securities Transaction Act (hereinafter the “Act”) and applicable provisions of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
2. Any matter that is not fully stipulated in these Regulations shall be governed by applicable laws.

Article 3 Scope of Asset

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including construction enterprise inventory) and other fix assets.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
6. Derivatives: In accordance with the Procedure for Derivatives Trading of the Company.
7. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
8. Other major assets.

Article 4 Definitions

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts

combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.

2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156, paragraph 8 of the Company Act.
3. Related Party: As provided in Financial Accounting Standards No. 6 published by the ROC Accounting Research and Development Foundation (hereinafter the "ARDF").
4. Subsidiary: As provided in Financial Accounting Standards No. 7 published by the ROC Accounting Research and Development Foundation (hereinafter the "ARDF").
5. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or other fix assets.
6. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
7. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

Article 5 The Company Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.

Article 6 Total amounts of real property and securities acquired by the company and each subsidiary for business use, and limits on individual securities

1. Total amount of real property for non-business use purchased by the Company shall not exceed 2% of its total paid-in capital.
2. Total amount of securities acquired by the Company shall be consistent with the provisions of the Company Act. The limit of investment amount on individual securities shall be 10% of the paid-in capital.

3. Individual purchase of real property for non-business use by any subsidiary in an amount over NT\$5 Million is subject to the approval by the board of directors.
4. Total amount of securities acquired by a subsidiary that is an investment professional is limited to 3 times the paid-in capital of the parent company. Amount of investment in individual securities is limited to 1.5 times the paid-in capital of the parent company.
5. Total amount of securities acquired by a subsidiary that is not an investment professional, as well as the amount of investment in individual securities by such subsidiary, is limited to 50% of the paid-in capital of the parent company.

Article 7 Procedure for Acquisition or Disposal of Real Property or other fix assets

1. Evaluation and Procedure

To acquire or dispose of real property or other fixed assets, the Company shall first prepare a capital expenditure budget. The preparation, approval, execution and control of such budget shall be governed by the Fixed Asset Cycle of the Company's Internal Control System.

2. Decision Procedure for Transaction Terms and Authorized Amount Limit

- (i) In the acquisition or disposal of fixed assets, reference shall be made to appraisal reports issued by professional appraisal organizations and decisions shall be made following price enquiry, comparison or negotiation. Any acquisition or disposal of non-business fixed assets in an amount over NT\$ 100 Million is subject to approval by the board of directors. In the acquisition or disposal of assets, reference shall be made to appraisal reports issued by professional appraisal organizations and decisions shall be made following price enquiry, comparison or negotiation. Any acquisition or disposal of non-business fixed assets in an amount over NT\$ 100 Million is subject to approval by the board of directors.
- (ii) If the acquisition or disposal of assets by the Company is subject to approval by the board of directors in accordance with the procedure established by the Company or other laws, when such transaction is submitted to the board of directors for discussion, if the Company has independent directors, the opinions of each independent director shall be fully taken into consideration. Any opinion of objection or reservation by any independent director shall be recorded in the minutes of the board meeting.
- (iii) If the Company has an audit committee, the transaction shall be approved by more than half of all audit committee members, followed by submission to the board of directors for resolution. If the transaction is not approved by half of all members of the audit committee, it may be carried out with the approval of 2/3 or more of all directors, with a specification about the resolution of the audit committee in the minutes of board meeting.
- (iv) The terms "all audit committee members" in paragraph 3 and "all

directors" in these Regulations shall be counted as the actual number of persons currently holding those positions.

3. The units responsible for implementation

After the Company's acquisition or disposal of real property or other fixed assets are approved in accordance with the approval authority under the previous paragraph, the user department and the General Affairs Department are responsible for execution.

4. Appraisal report for real property and other fixed assets

When the Company acquires or disposes of real property or other fixed assets, other than transactions with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment held for business use, the Company shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 Million (see Attachment 1 for details required in the appraisal report) and shall comply with the following provisions:

- (i) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.
- (ii) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (iii) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- (iv) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.
- (v) The Company of asset acquisition or disposal through a court auction process, the document of proof issued by the court may be

used in lieu of the appraisal report or accountant's opinion.

Article 8 Procedure for Acquisition or Disposal of Securities

1. Evaluation and Procedure

Acquisition or disposal of long-term and short-term securities by the Company are governed by the Investment Cycle of the Company's Internal Control System.

2. Decision Procedure for Transaction Terms and Authorized Amount Limit

- (i) For acquisition or disposal of securities traded on stock exchanges or over-the-counter markets, based on the market price at the time, if the amount is within NT\$100 Million (inclusive), the transaction may be approved by the Chairman, followed by ratification by the board of directors.
- (ii) To acquire or dispose of securities not traded on stock exchanges or over-the-counter markets, the latest accountant certified or audited financial reports of the target company shall be acquired before the date of occurrence of the event as reference for transaction price appraisal to consider the net value per share, profitability and future development potential. If the amount of a single transaction is within NT\$100 Million (inclusive), the transaction may be approved by the Chairman, followed by ratification by the board of directors. If the amount exceeds NT\$100 Million, a prior approval from the board of directors is required.
- (iii) If the acquisition or disposal of assets by the Company is subject to approval by the board of directors in accordance with the procedure established by the Company or other laws, when such transaction is submitted to the board of directors for discussion, if the Company has independent directors, the opinions of each independent director shall be fully taken into consideration. Any opinion of objection or reservation by any independent director shall be recorded in the minutes of the board meeting.
- (iv) If the Company has an audit committee, the transaction shall be approved by more than half of all audit committee members, followed by submission to the board of directors for resolution. If the transaction is not approved by half of all members of the audit committee, it may be carried out with the approval of 2/3 or more of all directors, with a specification about the resolution of the audit committee in the minutes of board meeting.

3. The units responsible for implementation

Before the Company invests in long or short-term securities, it shall acquire the approval in accordance with the approval authority under the previous paragraph and the finance unit shall be responsible for execution.

4. Expert Opinions

- (i) If the Company has any of the below events and if the dollar amount of the transaction is 20% of the Company's paid-in capital or NT\$300 Million or more, the Company shall additionally

engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

1. Acquisition or disposal of securities not traded on stock exchanges or over-the-counter markets.
 2. Acquisition or disposal of securities under private placement.
- (ii) The Company of asset acquisition or disposal through a court auction process, the document of proof issued by the court may be used in lieu of the appraisal report or accountant's opinion.

Article 9 Procedure for Acquisition or Disposal of Membership or Intangible Assets

1. Evaluation and Procedure

Acquisition or disposal of membership or intangible assets by the Company shall be governed by the Other Assets Cycle of the Company's Internal Control System.

2. Decision Procedure for Transaction Terms and Authorized Amount Limit

- (i) To acquire or dispose of membership, reference shall be made to the fair market price to determine the transaction terms and price. If the amount is within NT\$5 Million (inclusive), the transaction may be approved by the chairman and ratified by the board of directors. If the amount exceeds NT\$5 Million, a prior approval from the board of directors shall be required.
- (ii) To acquire or dispose of intangible assets, reference shall be made to expert evaluation report or fair market price to determine the transaction terms and price. If the amount is within NT\$100 Million (inclusive), the transaction may be approved by the chairman and ratified by the board of directors. If the amount exceeds NT\$100 Million, a prior approval from the board of directors shall be required.
- (iii) If the acquisition or disposal of asset by the Company is subject to approval by the board of directors in accordance with the procedure established by the Company or other laws, when such transaction is submitted to the board of directors for discussion, if the Company has independent directors, the opinions of each independent director shall be fully taken into consideration. Any opinion of objection or reservation by any independent director shall be recorded in the minutes of the board meeting.
- (iv) If the Company has an audit committee, the transaction shall be approved by more than half of all audit committee members, followed by submission to the board of directors for resolution. If the transaction is not approved by half of all members of the audit committee, it may be carried out with the approval of 2/3 or more

of all directors, with a specification about the resolution of the audit committee in the minutes of board meeting.

3. The units responsible for implementation

When the Company acquires or disposes of membership or intangible assets, after approval in accordance with the approval authority under the previous paragraph, the transaction shall be executed by the user department and the general affairs department.

4. Expert Opinions

- (i) If the Company acquires or disposes of membership with a transaction price of NT\$5 Million and above, an appraisal report shall be issued by an expert.
- (ii) If the Company acquires or disposes of intangible assets with a transaction price of NT\$100 Million and above, an appraisal report shall be issued by an expert.
- (iii) If the Company acquires or disposes of membership or intangible assets with a transaction price over 20% of the paid-in capital of the Company or over NT\$300 Million, a certified public accountant shall be engaged to provide an opinion about the reasonableness of the transaction price in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

Article 10 Procedure for Acquisition or Disposal of Claims of financial institutions

The Company does not acquire or dispose of financial institution claims in principle. However, if the Company wishes to engage in transactions of acquisition or disposal of financial institution claims in the future, a submission shall be made to the board of directors for establishment of the appraisal and procedure.

Article 11 Related Party Transactions

1. When the Company acquires or disposes of assets from or to a related party, in addition to the procedure for the acquisition of real property under Article 7, below provisions about relevant decision process and evaluation of reasonableness of the transaction terms shall also be complied with. If the transaction amount reaches 10% of the Company's total asset, an appraisal report issued by a professional appraiser or an accountant's opinion shall be also be acquired in accordance with Article 7. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.
2. When the Company acquires or disposes of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, the Company

may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors. If the Company has an audit committee, the transaction shall be submitted to the audit committee for discussion. The Company may not proceed to enter into a transaction contract or make a payment until the transaction is approved by more than half of all audit committee members and resolved by the board of directors. If the transaction is not approved by half of all members of the audit committee, it may be carried out with the approval of 2/3 or more of all directors, with a specification about the resolution of the audit committee in the minutes of board meeting:

- (i) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (ii) The reason for choosing the related party as a transaction counterparty.
- (iii) Information related to the reasonableness of the proposed transaction terms for acquisition of real property from a related party in accordance with subparagraphs 1, 4 and 5, third paragraph of this Article.
- (iv) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
- (v) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (vi) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- (vii) Restrictive covenants and other important stipulations associated with the transaction.

3. Appraisal of Reasonableness of Transaction Cost

- (i) The Company to acquire real property from a related party, the reasonableness of the transaction cost shall be evaluated in the following manner
 - 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not

apply where the financial institution is a related party of one of the trading counterparties.

- (ii) Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
- (iii) When the Company acquires real property from a related party and appraises the cost of the real property in accordance with subparagraphs (1) and (2) of the third paragraph, a CPA shall also be engaged to check the appraisal and render a specific opinion
- (iv) Where the Company acquires real property from a related party and one of the following circumstances exists, the appraisal and procedure shall be conducted in accordance with the first and second paragraphs of this Article, and subparagraphs (1), (2) and (3), third paragraph of this Article about appraisal of reasonableness of the transaction cost do not apply:
 - 1. The related party acquired the real property through inheritance or as a gift.
 - 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction.
 - 3. The real property is acquired through signing of a joint development contract with the related party.
- (v) When the Company acquires real property, if the results of appraisal conducted in accordance with subparagraphs (1) and (2), paragraph 3 of this Article are uniformly lower than the transaction price, the matter shall be handled in compliance with subparagraph (6), third paragraph of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
 - 1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (a) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (b) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar

after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.

- (c) Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices.
2. Where a company acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.
- (vi) When the Company acquires real property, if the results of appraisal conducted in accordance with subparagraphs (1) and (2), paragraph 3 of this Article are uniformly lower than the transaction price, the following shall apply:
1. The Company special reserve shall be provided in accordance with the first paragraph, Article 41 of the Securities Transaction Act for the amount of difference between the real property transaction price and the evaluated cost. Such reserve shall not be used for distribution or capital increase and share allocation. If the target of the Company's investment under equity method is a publicly listed company, special reserve shall also be provided in accordance with the first paragraph, Article 41 of the Securities Transaction Act in proportion to the shareholding percentage.
 2. If the Company has an audit committee, the independent directors forming the audit committee shall be in accordance with Article 218 of the Company Act.
 3. Details of handling under sections 1 and 2 of this subparagraph shall be submitted to the shareholders meeting. The transaction details shall also be disclosed in the annual report and prospectus

If the Company has set aside a special reserve for its investment in a publicly listed company accounted for under the equity method in accordance with this subparagraph, it may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of or adequate compensation has been made, or the status quo ante has been

restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

- (vii) When the Company obtains real property from a related party, it shall also comply with subparagraph (6) of the third paragraph if there is other evidence indicating that the acquisition was not an arm's length transaction.

Article 12 Procedure for Merger, Split, Acquisition and Share Transfer

1. Evaluation and Procedure

- (i) When the Company engages in merger, demerger, acquisition or share transfer, before holding a board meeting for resolution, it shall hire an accountant, attorney or securities dealer to provide an opinion about the reasonableness of the share swap ratio, acquisition price or distribution of cash or other properties to the shareholders and submit it to the board of directors for discussion and approval.

However, when the Company merges a subsidiary in which the Company directly or indirectly holds 100% outstanding shares or total capital, or in case of merger among subsidiaries in which the company directly or indirectly holds 100% outstanding shares or total capital, the above expert opinion about reasonableness may be waived.

- (ii) Before the shareholders meeting, the Company shall prepare a public document to the attention of the shareholders specifying important terms and relevant details of the merger, demerger or acquisition and deliver such document to the shareholders together with the expert opinion under subparagraph (1), first paragraph of this Article and the notice of the shareholders meeting as reference to whether or not the merger, demerger or acquisition should be approved, unless the law provides that the resolution by the shareholders meeting is not required for the merger, demerger or acquisition. Also, if any party that participates in the merger, split or acquisition cannot hold a shareholders meeting or pass a shareholders resolution due to quorum, insufficient voting right or other legal restrictions, or if the proposal is rejected by the shareholders meeting, such party shall immediately provide a public statement about the cause of the event, the subsequent steps and the estimated date for shareholders meeting.

2. Other Matters

- (i) A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

- (ii) Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
- (iii) The companies participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:
 - 1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
 - 2. An action, such as a disposal of major assets, that affects the company's financial operations.
 - 3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
 - 4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
 - 5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
 - 6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
- (iv) The contract for participation by the company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:
 - 1. Handling of breach of contract.
 - 2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 - 3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
 - 4. The manner of handling changes in the number of participating entities or companies.
 - 5. Preliminary progress schedule for plan execution, and anticipated completion date.

6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
- (v) After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
 - (vi) If a company participating in the merger, demerger, acquisition or share transfer is not a publicly listed company in the place where the Company is listed, the Company shall sign an agreement with such company and proceed in accordance with subparagraphs (i), (ii), (v), (vii), (viii) and (ix), second paragraph of this Article.
 - (vii) When the Company participates in a merger, demerger, acquisition or share transfer is, below information shall be provided in a complete written record and be kept for 5 years for verification:
 1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
 2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
 3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.
 - (viii) When the Company participates in a merger, demerger, acquisition or share transfer is, it shall file the information under subparagraphs (i) and (ii) of the previous paragraph with the FSC in the prescribed format through the online information system within 3 days from the date of approval by board resolution.
 - (ix) If a company participating in the merger, demerger, acquisition or share transfer does not have its shares traded on a stock exchange or an over-the-counter market, the Company shall sign an agreement with such company and proceed in accordance with paragraphs (vii) and (viii).

1. After the Company's shares are listed, when the Company acquires or disposes of assets under any of the following circumstances, it shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:
 - (i) Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
 - (ii) Merger, demerger, acquisition, or transfer of shares.
 - (iii) Where the type of asset acquired or disposed is equipment for business use, the trading counterparty is not a related party, and the transaction amount meets any of the following criteria:
 1. Paid-in capital is less than NT\$10 Billion and the transaction amount is over NT\$500 Million.
 2. Paid-in capital is over NT\$10 Billion and the transaction amount is over NT\$1 Billion.
 - (iv) Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 1. Trading of government bonds.
 2. Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
 - (v) The amount of transactions above shall be calculated as follows:
 1. The amount of any individual transaction.
 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
 3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.
2. In case of any error or omission in the public filing made by the Company, a correction shall be made within 2 days from the day of

knowledge and the full public filing shall be made again.

3. When the Company acquires or disposes of assets, the relevant contract, minutes of meetings, registers, evaluation reports, accountant's, attorney's or securities underwriter's opinions shall be maintained in the Company for at least 5 years, unless otherwise provided by other laws.
4. If there is any of the below events after the Company's shares are listed and after a transaction is filed in accordance with the previous Article, relevant information shall be filed through the FSC designated website within 2 days from the date of occurrence of the event:
 - (i) Change, termination, or rescission of a contract signed in regard to the original transaction.
 - (ii) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - (iii) Change to the originally publicly announced and reported information.

Article 14 Control procedures for the acquisition and disposal of assets by subsidiaries:

1. Each subsidiary of the Company shall establish the Regulations Governing the Acquisition and Disposal of Assets in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies of the FSC. Such regulations shall be approved by the board of directors and submitted to the shareholders meeting for approval. The same shall be applicable to any amendment.
2. If the acquisition or disposal of assets by any subsidiary is subject to approval by the board of directors in accordance with the Regulations Governing the Acquisition and Disposal of Assets that it has established or other laws, a report shall be made to the Company before the occurrence of the event. The Finance Department of the Company shall evaluate the feasibility, necessity and reasonableness of such acquisition or disposal of asset. It shall also follow up on the execution status and perform analysis and review after the transaction.
3. When the Company's audit staff performs review at the subsidiaries in accordance with the annual audit plan, they shall also understand the status of execution of the Regulations Governing the Acquisition and Disposal of Assets by the subsidiary. If any deficiency is discovered, there shall be continuous follow-up on the improvement status and a follow-up report shall be submitted to the President.
4. If the Company's subsidiary is not a domestic listed company and if such subsidiary acquires or disposes of assets to an extent that requires filing in accordance with the standards under this Article, the filing shall be done by the Company. The applicable filing standards of 20% paid-in capital or 10% total asset shall be calculated based on the Company's paid-in capital or total asset.

Article 15 Penalty

Any relevant employee who handles acquisition or disposal of assets in breach of these Regulations will be forwarded to the Personnel Review Committee for sanctions to be imposed depending on the level of gravity.

Article 16 Implementation and Revision

1. The establishment or revision of the Company's Regulations Governing the Acquisition and Disposal of Assets shall be approved by more than 1/2 of all audit committee members, submitted to the board of directors for resolution and further submitted to the shareholders meeting for approval. If it is not approved by more than 1/2 of all audit committee members, it may be executed with the approval of more than 2/3 of all directors, with the resolution of the audit committee specified in the meeting minutes of the board of directors.
2. If the Company has independent directors, when the Regulations Governing the Acquisition and Disposal of Assets are submitted to the board of directors for discussion, the opinions of each independent director shall be fully taken into consideration and their opinions for or against the proposal and the reasons shall be included in the meeting records.

These Regulations were established on December 4, 2014

First revision was made on June 25, 2015.

Second revision was made on June 28, 2017.

Appendix 3

Jinan Acetate Chemical Co.,LTD. Operational Procedures for Loaning of Company Funds

Article 1 Purpose

This Procedure is established in accordance with applicable provisions of the Regulations Governing Loaning of Funds and making of Endorsements/Guarantees by Public Companies to govern matters related to the loaning of funds by the Company (including its direct and indirect subsidiaries).

Article 2 Targets of the Loaning of Funds

1. Companies or enterprises having business dealings with the Company.
2. Those invested by the Company and in need of short-term financing funds.

“Short-term” under the previous paragraph means one year or one business cycle (whichever is longer).

Article 3 Reason and Necessity for the Loaning of Funds:

Loaning of funds between the Company and another company or enterprise due to business dealings shall be in accordance with paragraph 2, Article 4. Loaning of funds due to short-term financing needs shall be limited to the following:

1. Required for the repayment of bank loans, purchase of equipment or working capital by a company invested by the Company under the equity method.
2. Required for the repayment of bank loans, purchase of equipment or working capital by a company of which over 50% shares are indirectly held by the Company.
3. Required by a company of which over 50% shares are directly or indirectly held by the Company for the purpose of investment in other companies, provided that such investment is related to the business operated by the Company and is helpful to the future business development of the Company.
4. Short-term financing required by another company or enterprise for the purchase of materials or working capital.

Article 4 Total and Individual Loan Limits:

1. The total amount of loans granted by the Company is limited to 40% of its net value based on the latest accountant certified or audited financial statements.
2. Individual loan amount to any company or enterprise with business dealings with the Company is limited to the amount of product

purchased or the amount of product sold, whichever is higher, during the past year or during the current year as of the time of the loan.

3. Individual loan amount to any company or enterprise in need of short-term financing is limited to 30% of the Company's net value based on its latest accountant audited financial reports.
4. If the loaning of funds is required for financing purpose among overseas subsidiaries of which the Company directly or indirectly holds 100% voting shares, the total amount shall not exceed 100% of the Company's net value. Loan amount granted to any individual borrower shall not exceed 30% of the Company's net value.

Article 4-1 Determination of Subsidiary and Parent Company

"Subsidiary" and "parent company" referred to in this Procedure shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 4-2 Determination of Net Value

Net value referred to in this Procedure means shareholders' equity belonging to the parent company in the balance sheet prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 5 Loan Procedure:

1. Credit Verification:
 - (i) When the Company grants a loan, the borrower shall first submit required company information and financial information to file a written application for loan limit with the Company.
 - (ii) After the application is received by the Company, the Finance Department shall conduct investigation and evaluation of the borrower's operated business, financial status, repayment capability and credibility, profitability and loan purpose and prepare a report.
 - (iii) The Finance Department shall perform detailed investigation, devaluation and review of the borrower, including at least the following:
 1. The necessity of and reasonableness of extending loans to others.
 2. Evaluate whether the amount of loan is required in accordance with the financial status of the borrower.
 3. Whether the accumulated amount of loans granted is still within the limit amount.
 4. Impact on the company's business operations, financial condition, and shareholders' equity.

5. Whether collateral must be obtained and appraisal of the value thereof.
 6. Provide records of credit verification and risk evaluation of the borrower.
2. Security:

In granting a loan, the Company shall acquire a promissory note of equivalent amount as security. If required, mortgage may be created on personal property or real property. In relation to the security under the previous paragraph, if the borrower provides a guarantee from a person or company with certain financial capability and credibility in lieu of collateral, the board of directors may proceed in reference to the credit verification report by the Finance Department. If a corporate guarantee is provided, due care shall be exercised as to whether a clause in its articles of association allows for the provision of such guarantee.

3. Scope of Authorization:

To process the loaning of funds by the Company, following credit verification by the Finance Department of the Company, the proposal shall be submitted to the Chairman for approval and also submitted to the board of directors for resolution. No other person is authorized to make such decision. If the Company has independent directors, the opinions of each independent director shall be fully taken into consideration. The opinions for or against the proposal and the reasons shall be included in the records of board meeting. For the loaning of funds between the Company and its subsidiaries or between subsidiaries, a submission shall be made to the board of directors for resolution in accordance with the previous paragraph. The Chairman may be authorized to advance loans by stage to or allow revolving drawdowns by the same borrower within a certain limit resolved by the board of directors and within a period of one year.

Article 6 Duration of loans and calculation of interest:

1. If short-term financing is required, the loan period shall be limited to one year. Loans granted due to business dealings or among overseas companies of which 100% voting shares are held directly or indirectly by the Company shall not exceed 3 years.
2. Loan interest rate shall not be lower than the maximum interest rate for short-term loans taken out by the Company from financial institutions. Interest payable to the Company shall accrue on monthly basis in principle. In special circumstances, adjustment may be made based on actual requirements subject to the approval of the board of directors.
3. For loans among overseas subsidiaries of which 100% voting shares are held directly or indirectly by the Company, interest shall accrue in accordance with paragraph 2 of this Article.

Article 7 Subsequent Control Measures for Loans Granted, Overdue Claim Handling Procedure:

1. After a loan is advanced, due care shall be exercised at all times as to the financial, business and relevant credit status of the borrower and the guarantor. If any collateral is provided, due care shall be exercised as to any variation in the value of the collateral. In case of material change, a report shall be filed immediately with the Chairman and proper measures shall be undertaken in accordance with the Chairman's instructions.
2. When the borrower repays the loan upon maturity or prepays the loan, interest payable shall first be calculated. The promissory note shall only be returned to the borrower or the mortgage shall only be cancelled after interest is paid together with the repayment of the principal.
3. Upon maturity of the loan, the borrower shall repay principal and interest immediately. In case of failure to repay upon maturity, the Company may seek enforcements or make claims against the collateral or guarantor provided in accordance with the law.

Article 8 Internal Control:

1. In granting loans, the Company shall establish a register, specifying the targets of the loans, amounts, dates of approval by the board of directors, dates of loan advance and matters subject to careful evaluation in accordance with the rules.
2. The internal audit staff of the Company shall audit the Procedure for the Loaning of Funds and its execution status at least on quarterly basis, with written records. If any material breach is discovered and if the Company has independent directors, an immediate written notice shall be given to independent directors. If any material breach is discovered, the managers and processing staff shall be sanctioned depending on the situation of breach.
3. If the target of the loan granted by the Company is inconsistent with the requirements of this Procedure or if the balance amount exceeds the limit due to change of circumstances, a correction plan shall be established. If the Company has independent directors, the relevant correction plan shall be submitted to the independent directors and corrections shall be completed in accordance with the schedule.

Article 9 Announcement and reporting:

1. After the Company's shares are listed, the Company shall publish the balance amount of loans granted by the Company and its subsidiaries in the previous month before the 10th day of each month in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies published by the Financial Supervisory Commission.
2. After the Company's shares are listed, when the balance of loans granted by the Company reaches one of the below thresholds, a filing shall be made within 2 days from the date of occurrence of the event:
 - (i) The aggregate balance of loans to others by the company and its subsidiaries reaches 20 percent or more of the company's net worth as stated in its latest financial statement.

- (ii) The balance of loans by the company and its subsidiaries to a single enterprise reaches 10 percent or more of the company's net worth as stated in its latest financial statement.
- (iii) The amount of new loans of funds by the company or its subsidiaries reaches NT\$10 million or more, and reaches 2 percent or more of the company's net worth as stated in its latest financial statement.
- (iv) If a subsidiary of the Company is not a publicly listed company in the place where the Company is located and if such subsidiary has an event that requires filing in accordance with the previous paragraph, such filing shall be done by the Company.

Under the previous paragraph, the balance amount of loans granted by the subsidiary as a percentage of the net value shall be calculated as the balance amount of loans granted by the subsidiary as a percentage to the net value of the Company.

The “date of occurrence” referred to in this Procedure means the date of transaction contract signature, date of payment, date of board resolution or other date on which the transaction counterpart or transaction amount is confirmed, whichever is the earliest.

Article 10 Control over Loans by Subsidiaries

Procedures for controlling and managing loans of funds to others by subsidiaries:

1. When a subsidiary of the Company wishes to loan funds to others, it shall do so in accordance with the Procedure for the Loaning of Funds of such company.
2. When a subsidiary of the Company wishes to loan funds to others, it shall make a submission to the board of directors of such subsidiary for prior approval by resolution. After the subsidiary advances the loan, it shall report to the Company about subsequent follow-ups on the loan amount on regular basis.

Loaning of funds among subsidiaries of the Company shall be submitted to the board of directors for resolution in accordance with the above provision. The chairman of the subsidiary may be authorized to grant loans or recycle drawdowns to the same borrower within a certain amount approved by board resolution and within a period of one year.

The “certain amount” shall not exceed 10% of the net value of the Company in its latest financial statements for the granting of loans to any single enterprise by the Company or its subsidiary, except the loaning of funds among overseas companies of which 100% voting shares are directly or indirectly held by the Company, in which case there shall be no limit on the authorized amount.

3. The Accounting Department shall acquire a statement showing details of the balance amounts of loans granted by each subsidiary at the beginning of each month.
4. The Finance Department of the Company shall make regular evaluations about whether each company has proper subsequent

control measures for loans granted and whether there is a proper procedure to handle overdue debt.

5. The Company's internal audit staff shall regularly audit compliance by each subsidiary with the Procedure for the Loaning of Loans that it established and prepare an audit report. After verification of the discoveries and suggestions in the audit report, notice shall be given to each audited subsidiary to seek correction and regular follow-up reports shall be prepared to ensure that proper correction measures have been undertaken in a timely manner.

Article 11 Accounting Treatment

The Accounting Department shall evaluate the status of loans and make proper provisions for bad debt. Relevant information shall be duly disclosed in the financial reports and relevant information shall be provided to the certifying accountant to perform necessary audit procedure.

Article 12 Penalty

In processing the loaning of funds, if any manager or processing staff of the Company breaches the Regulations Governing the Loaning of Funds and the Making of Endorsements and Guarantees by Publicly Listed Companies by the Securities and Futures Bureau of the place where the Company is listed or the Procedure for the Loaning of Funds of the Company, submissions shall be made in accordance with the reward and sanction rules of the Company's employee handbook and penalties shall be imposed depending on the level of gravity.

Article 13 Implementation and Revision

1. This Procedure, including any revision hereto, is implemented following the approval by the audit committee of the Company, followed by approval by the board of directors and submission to the shareholders meeting for approval. If any director voices any objection with records or written statements, such objection shall be included in the minutes of the board meeting and shall be submitted to the shareholders meeting for discussion.
2. If the Company has independent directors, when this procedure is submitted to the board of directors for discussion in accordance with the previous subparagraph, the opinions of each independent director shall be fully taken into consideration and the clear opinions for or against the proposal and the reasons shall be included in the records of the board meeting.

These Regulations were established on December 4, 2014

Appendix 4

Jinan Acetate Chemical Co.,LTD.

Operational Procedures for Endorsements and Guarantees

Article 1 Purpose

This Procedure is established to govern endorsements and guarantees by the Company (including its direct and indirect subsidiaries). Any matter that is not fully stipulated in this Procedure shall be governed by applicable laws.

Article 2 Scope of Application

1. Financing endorsements/guarantees: meaning factoring, endorsements or guarantees for the purpose of providing financing to other companies and issuance of notes as security to non-financial businesses for the purpose of financing the Company.
2. Customs duty endorsement/guarantee: meaning an endorsement or guarantee for the company itself or another company with respect to customs duty matters.
3. Other endorsements/guarantees: meaning endorsements or guarantees beyond the scope of the above two subparagraphs.
4. This Procedure also applies when the Company provides personal property or real property for the creation of lien, mortgage or other encumbrance in the nature of endorsement or guarantee to secure the loan of another company.

Article 3 Entities for which the company may make endorsements/guarantees

1. Companies with business dealings with the Company.
2. A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.
3. A company that directly and indirectly holds more than 50 percent of the voting shares in the public company.
4. Companies of which over 90% voting shares are directly or indirectly held by the Company may grant endorsements and guarantees for one another and paragraph 2, Article 4 of this Procedure applies.
5. When all investing shareholders provide the invested company with endorsements and guarantees in proportion to the shareholding ratio in a joint investment relationship, such endorsements and guarantees may be given without the restrictions under the previous 3 paragraphs.

6. "Investment" in the previous paragraph means investment directly made by the Company or investment made through subsidiaries of which 100% voting shares are held by the Company.
7. The Company shall not provide any endorsement or guarantee if there is any of the below events:
 - (i) The amount of endorsement or guarantee by the Company exceeds the limit amount.
 - (ii) Bad credit records of indebtedness or dispute.
 - (iii) Beyond the scope of guarantees approved by the board of directors.

Article 3-1: Determination of Subsidiary and Parent Company

Subsidiaries and parent companies referred to in this Procedure are determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers of the place where the Company is listed.

Article 4 Limit of Endorsements/Guarantees

1. Total Amount of Endorsements and Guarantees: Other than endorsements and guarantees among companies of which 100% voting shares are directly or indirectly held by the Company, the total balance amount of endorsements and guarantees shall not exceed the Company's net value.
2. Amount limit for endorsements/guarantees for single enterprise: No more than 10% of the Company's net value. However, for endorsements/guarantees for companies of which 100% voting shares are directly or indirectly held by the Company or endorsements/guarantees among companies of which 100% voting shares are directly or indirectly held by the Company, the amount shall not exceed 250% of the Company's net value.
3. Endorsements and Guarantees under Business Dealings:

The amount of business dealings between such enterprise and the Company in the past 12 months (amount of business dealings refers to the amount of product purchase or the amount of product sold, whichever is higher).
4. "Net value" shall be based on the latest accountant certified or audited financial statements.

Article 4-1: Determination of Net Value

Net value referred to in this Procedure means the shareholders' equity belonging to the parent company in the balance sheet prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 5 Hierarchy of decision-making authority and delegation thereof

All endorsements and guarantees by the Company shall be subject to prior resolution by the board of directors. However, in the interest of time, the board of directors may authorize the Chairman to proceed first to the extent of NT\$200 Million, with ratification by the board of directors afterwards.

Article 6 Endorsement/Guarantee Processing and Review Procedure

1. Endorsement and Guarantee Application Procedure

- (i) The company applying for endorsements or guarantees shall provide basic information and financial information. An application form shall also be completed and submitted to the unit responsible for managing endorsements and guarantees in the Company.
- (ii) The unit responsible for managing endorsements and guarantees shall review the necessity and reasonableness of the endorsement or guarantee, whether collaterals should be acquired and whether the amount of endorsement or guarantee is consistent with Article 4.
- (iii) If the above application documents are complete and if the conditions for endorsements or guarantees are met, the proposal may be submitted to the unit responsible for credit management in the Company for credit verification procedure.

2. Credit Verification and Risk Evaluation

- (i) The unit responsible for credit management will only start credit verification procedure after it receives the endorsement and guarantee application form and relevant information.
- (ii) In perform credit verification procedure, the credit management unit shall exercise due care to collect, analyze and evaluate the creditworthiness and operating status of the company seeking endorsement/guarantee. The credit verification results shall be included in a written report and submitted to the endorsement/guarantee management unit, which shall be further submitted to the Chairman or the board of director as reference for risk evaluation.

3. Collateral Value and Evaluation

If collateral is required in a case of endorsement or guarantee, the company applying for the endorsement or guarantee shall provide the collateral for the unit responsible for credit management to evaluate the value of the collateral. The results of the evaluation will be submitted to the Chairman or the board of directors as reference for risk evaluation.

4. Approval of Endorsements and Guarantees

- (i) The unit responsible for managing endorsements and guarantees in the Company shall submit information related to the review and evaluation of the endorsement/guarantee case, including the results of credit verification and investigation, collateral

evaluation report, impact on the Company's operating risk, financial status and shareholder interest and the terms of endorsement/guarantee, to the board of directors for resolution, or for execution within the amount of authorization to the chairman, followed by ratification by the board of directors. If the accumulated balance amount of endorsements and guarantees at the time has not yet exceeded the amount authorized to the Chairman by the board of directors, the proposal shall be submitted to the Chairman for decision, followed by ratification in the following board meeting. However, if the accumulated balance amount of endorsements and guarantees exceeds the amount of authorization to the Chairman, the proposal must be submitted to the board of directors for resolution.

- (ii) If the Company has independent directors, in a case of endorsement or guarantee, the opinions of each independent director shall be fully taken into consideration. The clear opinions for or against the proposal and the reasons against the proposal shall be included in the records of the board meeting.

5. Approval and Notice

- (i) When an endorsement or guarantee case is approved, the unit responsible for managing endorsement and guarantees shall give swift notice to the company applying for the endorsement or guarantee, detailing the terms of the endorsement or guarantee, including limit amount, duration and collateral. The company applying for the endorsement or guarantee shall sign the contract before the deadline.
- (ii) If the endorsement or guarantee case is rejected, the unit responsible for managing endorsement and guarantees shall provide a swift reply to the company applying for the endorsement or guarantee with the reasons for the decline.

6. Lien Creation on Collateral and Insurance

- (i) If collateral is required in an endorsement or guarantee case, upon receipt of the notice, the company applying for the endorsement or guarantee shall immediately complete the lien or mortgage creation procedure in order to ensure the Company's interest.
- (ii) Other than land and securities, relevant insurance shall be purchased for the collateral. The insurance amount shall be not less than the amount of lien on the collateral in principle. The insurance policy shall identify the Company as the beneficiary. The target's name, quantity, location, insurance terms and insurance addendum specified in the insurance policy shall be consistent with the conditions approved by the Company.
- (iii) Before the expiry of the insurance period, the unit responsible for managing endorsements and guarantees shall give notice to the company applying for the endorsement or guarantee to renew the insurance.

7. Contract Signature and Identity Verification

- (i) The unit responsible for managing endorsements and guarantees shall draft the contract terms of the endorsement or guarantee case. After approval and consultation with the Legal

Department, the contract signature procedure shall be carried out.

- (ii) The contractual terms shall be consistent with the approved terms of the endorsement or guarantee. After the company applying for the endorsement or guarantee signs the contract, the unit responsible for managing endorsements and guarantees shall carry out identity verification procedure.
8. The guarantee shall only be provided after approval of the endorsement or guarantee case, completion of the relevant procedures under paragraphs 6 and 7 and verification showing no error.

Article 7 Release of Endorsement/Guarantee

When the reason for endorsement or guarantee ceases to exist, the company applying for the endorsement or guarantee shall give immediate notice to the Company in order to release the endorsement/guarantee liability of the Company and to make registration in the endorsement and guarantee register.

Article 8 Procedures for use and custody of corporate chops

The seal used for endorsements and guarantees is the corporate seal of the Company. The custodian of the seal shall be designated by the Chairman under the authorization of the board of directors. The same is applicable in case of change of custodian. The custodian shall only affix the seal or issue any note in accordance with the procedures prescribed by the Company. If the Company provides a guarantee to an overseas company, the guarantee letter issued by the Company shall be affixed with a signature of a person authorized by the board of directors.

Article 9 Matters of Caution in Providing Endorsements and Guarantees

1. The unit responsible for managing endorsements and guarantees shall establish an endorsement and guarantee register, recording in detail the targets of endorsement/guarantee, amount, date of approval by the board of directors or decision by the Chairman, date of endorsement/guarantee, matters subject to careful evaluation in accordance with this Procedure, details of collateral and evaluated value and the conditions and dates for the release of endorsement/guarantee liabilities.
2. After the endorsement or guarantee is processed, the unit responsible for managing endorsements and guarantees shall submit the proof of claim such as contract and promissory note, as well as guarantee documents, insurance policies and correspondence, to the unit responsible for custody management for verification and custody.
3. The Company's internal audit unit shall audit the Procedure for Endorsements and Guarantees and its execution status at least every quarter and shall make written records. If any material breach is discovered and if the Company has independent

directors, an immediate written notice shall be given to each independent director.

4. If the target of the Company's endorsement or guarantee is not consistent with the requirement under Article 3 of this Procedure or if the amount of endorsement/guarantee exceeds the limit under Article 4 of this Procedure due to change of circumstances, the unit responsible for managing endorsements and guarantees shall give immediate notice to the audit unit and establish a correction plan. If the Company has independent directors, the audit unit shall submit the plan to each independent director, submit a report to the board of directors and complete the correction plan in accordance with the schedule. The same shall be applicable if the target of endorsement/guarantee is a subsidiary with a net value below 1/2 of the paid-in capital. If the subsidiary's shares do not have face value or if the face value per share is not NT\$10, the above paid-in capital shall be calculated based on the stock capital, plus capital reserve and minus the issue premium.
5. In providing endorsements and guarantees, if the Company needs to exceed the amount limit provided in this Procedure as required for business and if the conditions provided in this Procedure are satisfied, following approval by the board of directors, at least half of the directors shall provide a joint guarantee to cover potential losses that the Company may suffer for exceeding the limit and an amendment shall be made to this Procedure, followed by submission to the shareholders meeting for ratification. If the shareholders meeting disagrees, the portion in excess of the limit shall be eliminated before a certain deadline. If the Company has independent directors, the opinions of each independent director shall be fully taken into consideration and the clear opinions for and against the proposal and the reasons against the proposal shall be included in records of the board meeting.
6. The unit responsible for managing endorsements and guarantees shall prepare a list of endorsements and guarantees for the previous month before the 10th day of each month.
7. The Company shall evaluate and provide contingencies for potential losses from endorsements and guarantees and shall duly disclose information of endorsements and guarantees in the financial report. Relevant information shall also be provided to the certifying accountant for the accountant to conduct necessary audit procedures.

Article 10 Information Disclosure

1. After the Company's shares are listed, the Company shall key in the balance amount of endorsements and guarantees by the Company and its subsidiaries in the previous month in the website designated by the Financial Supervisory Commission (the "FSC") of the place where the Company is located before the 10th day of each month.
2. After the Company's shares are listed, when the balance amount of endorsements and guarantees reaches one of the below

thresholds, the information shall be keyed-in in the SFC designated website within 2 days from the date of occurrence of the event:

- (i) When the balance amount of endorsements and guarantees by the Company and its subsidiaries reaches more than 50% of the Company's net value in its latest financial statements.
 - (ii) When the balance amount of endorsements and guarantees to any single enterprise by the Company and its subsidiaries reaches more than 20% of the Company's net value in its latest financial statements.
 - (iii) When the balance amount of endorsements and guarantees for any single enterprise by the Company and its subsidiaries reaches NT\$10 Million and the total amount of endorsements/guarantees, long-term investment and balance amount of loans reaches 30% of the Company's net value in its latest financial reports.
 - (iv) When the amount of new endorsements and guarantees by the Company and its subsidiaries reaches NT\$30 Million and more than 5% of the Company's net value in its latest financial statements.
3. The date of occurrence of the event referred to in this Procedure means the transaction contract signature date, payment date, date of board resolution or other date on which the transaction counterparty and the transaction amount are confirmed, whichever is earlier.

Article 11 Procedures for controlling and managing endorsements/guarantees by subsidiaries

1. Subsidiaries of the Company shall establish their procedures for endorsements and guarantees in accordance with the Procedure for Endorsements and Guarantees of the FSC and submit them to the board of directors of approval, followed by submission to the shareholders meeting for approval. The same shall be applicable to any amendment.
2. Subsidiaries shall prepare lists of endorsements and guarantees for others in the previous month in the beginning of each month and submit them to the Company.
3. When the Company's audit staff performs audit on the subsidiaries in accordance with the annual audit plan, they shall also acquire an understanding of the execution status of the Procedure for Endorsements and Guarantees by the subsidiaries. If any deficiency is discovered, the staff shall continue follow-up on the corrections and prepare a follow-up report to be submitted to the President.

Article 12 Other Matters

1. If the target of the endorsement or guarantee by the Company is

inconsistent with the requirements of this Procedure or if the amount exceeds the limit due to change of circumstances, a correction plan shall be established. If the Company has independent directors, the relevant correction plan shall be submitted to the independent directors and corrections shall be completed in accordance with the schedule.

2. Any matter that is not fully stipulated in this Procedure shall be governed by applicable laws.

Article 13 Penalty

In handling endorsement and guarantee procedures, if any manager or processing staff of the Company breaches the Regulations Governing Loaning of Funds and Making of Endorsements and Guarantees by Public Companies of the Securities and Futures Bureau of the place where the Company is listed or the Procedure for Endorsements and Guarantees of the Company, a submission shall be made in accordance with the reward/sanction provisions in the Company's Employee Handbook and penalties shall be imposed depending on the level of gravity.

Article 14 Implementation and Revisions

1. Following approval by the audit committee and the board of directors, this Procedure shall be implemented after submission to the shareholders meeting for approval. If any director voices any objection, with records or written statements, the Company shall include subject objection in the submission to each independent director and the shareholders meeting for discussion. The same shall be applicable to any revision.
2. If the Company has independent directors or an audit committee, when this Procedure is submitted to the board of directors for discussion in accordance with the previous subparagraph, the opinions of each independent director shall be fully taken into consideration and the opinions for and against the proposal and the reasons against the proposal shall be included in the records of board meeting.

These Regulations were established on December 4, 2014

First revision was made on June 25, 2015.

Appendix 5

Jinan Acetate Chemical Co.,LTD.

Rules of Procedures for Shareholders Meetings

Article 1 Basis

These Rules are established in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies of the place where the Company is listed in order to build a governance system for the Company's shareholders meeting, improve supervisory functions and reinforce management mechanism.

Article 2 Scope

The main agenda, procedure, matters to be included in the minutes, announcements and other compliance matters for the Company's shareholders meetings are governed by these Rules.

Article 3 Convening shareholders meetings

1. Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.
2. The Company shall prepare electronic files of the agenda and explanatory information such as shareholders meeting notice, proxies, relevant proposals for approvals and discussions and election or dismissal of directors and upload them to the Market Observation Post System 15 days before any general shareholders meeting or 15 days before a special shareholders meeting. Electronic files of shareholders meeting handbook and supplemental materials for the meeting shall be prepared and uploaded to the Market Observation Post System 21 days before a general shareholders meeting or 15 days before a special shareholders meeting. Shareholder meeting handbooks and supplemental materials for the meeting shall be put at the disposal of the shareholders and displayed in the Company and its shareholder services institution 15 days before the shareholders meeting and shall also be distributed at the site of the shareholders meeting.
3. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
4. The election or dismissal of directors, change to the Articles of Association, company dissolution, merger or demerger and any matter listed under any subparagraph, first paragraph, Article 185 of the Company Act of the Republic of China (hereinafter the "Company Act") or Articles 26-1 and 43-6 of the Securities Transaction Act of the Republic of China must be listed in the agenda and shall not proposed under Questions and Motions.

5. A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.
6. Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.
7. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.
8. Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4 Proxy form

1. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.
2. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
3. After a proxy is delivered to the Company, if the shareholder wishes to attend the shareholders meeting in person, a written revocation of the proxy shall be given to the Company 2 days before the shareholders meeting at the latest. If the revocation is given after this deadline, the voting right exercised by the proxy holder shall prevail.

Article 5 Principles of Shareholder Meeting Locations and Time Limits

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days

before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 6 Attendance Register and Shareholder Attendance by Representation

1. This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.
2. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.
3. Shareholders or their representatives (hereinafter the "Shareholders") shall attend shareholders meetings upon presentation of attendance cards, attendance signup cards or other attendance documents. Solicitors of proxies shall also bring ID documents for verification.
4. This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
5. This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.
6. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7 Chairman of Shareholder Meetings and Substitute

1. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.
2. When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

3. For meetings convened by the board of directors should be attended by the majority of directors.
4. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
5. This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8 Documentation of a shareholders meeting by audio or video

1. This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.
2. The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9 Attendance and Voting in Shareholders Meetings

1. Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
2. The chairman shall announce the start of the meeting at the meeting time. However, if the attending shareholders represent less than the majority of all outstanding shares, the chairman may announce the meeting adjourned. There may be up to 2 adjournments. The time of adjournment shall not exceed a total of one hour. If the attending shareholders after 2 adjournments still represent less than 1/3 of all outstanding shares, the chairman shall announce the meeting failed.
3. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.
4. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10 Convening Shareholders Meetings and Agenda

1. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
2. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.
3. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including questions and motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
4. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or questions and motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

Article 11 Shareholder speech

1. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
2. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

3. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
4. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
5. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12 Voting Shares

1. Voting at a shareholders meeting shall be calculated based the number of shares.
2. With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.
3. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.
4. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
5. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13 Exercise of Voting Rights

1. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.
2. In shareholders meetings convened by the Company, voting rights may be exercised in writing or in an electronic manner. When voting rights are exercised in writing or in an electronic manner, the manner of exercise shall be specified in the notice of the shareholders meeting. Shareholders who exercise their voting rights in writing or in an electronic manner shall be deemed to have attended the shareholders meeting in person. However, these shareholders shall be deemed to have waived their rights for Questions and Motions, as well as amended versions to the original proposals.
3. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.
4. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of

retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

5. Unless otherwise provide by the Company Act or the Articles of Association of the Company, proposals submitted to voting shall be approved by the majority of voting rights represented by attending shareholders. At the time of vote, the chairman or chairman appointed person shall announce the total number of voting rights represented by attending shareholders for each proposal, followed by shareholder votes on each proposal. After the Company is listed, the results showing shareholder approval, rejection or waiver shall be keyed into the Market Observation Post System on the same day as the shareholders meeting.
6. If the chairman makes an enquiry to all shareholders about a proposal and there is no objection, the proposal shall be deemed approved, with the same effect as an approval by vote. If there is an objection, voting shall take place in the manner under the previous paragraph. Other than the proposals listed in the agenda, if the shareholder makes any other proposal or if there is an amendment or substitute proposal for any original proposal, such proposal shall be seconded by other shareholders. The shares held by the shareholder making the proposal and the other shareholders seconding the proposal shall represent at least 1% voting rights of all outstanding shares.
7. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
8. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.
9. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14 Election of Directors

1. The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

2. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15 Records of Shareholders Meetings

1. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.
2. This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
3. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of this Corporation.

Article 16 Information Publication

1. On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.
2. If a matter resolved by shareholders meeting constitutes important information in accordance with the laws of the place where the Company is listed or as prescribed by the Taiwan Stock Exchange Corporation, after the Company is listed, the Company shall upload such matter to the Market Observation Post System before the prescribed deadline.

Article 17 Working Staff of Shareholders Meetings

1. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
2. The chairman may direct disciplinary or security staff to help maintain the order on the meeting site. Disciplinary or security staff shall wear armbands or identification badges during maintenance of order on site.
3. At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

4. When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 Break Time and Suspension of Shareholders Meeting

1. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
2. If the meeting venue is no longer available for continued use and not all of the items (including questions and motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.
3. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19 Implementation and Revision

The establishment and revision of these Rules are subject to approvals by the board of directors and shareholders meeting.

These Rules were established on December 4, 2014

Appendix 6

Jinan Acetate Chemical Co.,LTD. Rules for Election of Directors

- Article 1 Directors of the Company are elected in accordance with these Regulations. Any matter that is not stipulated in these Regulations is governed by the Company Act and applicable laws of the place where the Company is listed.
- Article 2 Directors of the Company shall be elected in shareholders meetings.
- Article 3 Directors of the Company are elected through nominative accumulated voting. The names of the candidates may be replaced by attendance card numbers or shareholder account numbers printed on the ballots.
- Article 4 To elect directors of the Company, each share is entitled to the same number of voting rights as the number of directors to be elected. The voting rights may be casted for one or multiple candidates.
- Article 5 The number of directors to be elected in the Company is provided in the Articles of Association of the Company. Those who have received ballots with most voting rights are elected in the order of sequence. If two or more persons receive the same number of voting rights and if there are no enough seats to be allocated to all of them, a random draw shall be arranged among these persons. Any of such persons who is not present will be represented by the chairman in the random draw.
- Article 6 When the board of directors prepares the ballots, the number of voting rights shall be indicated. If required, the shareholders account numbers may be indicated.
- Article 7 At the start of the election, the chairman shall appoint several vote supervisors and vote recorders who must be shareholders to carry out vote supervision and vote recording matters.
- Article 8 The voter must indicate the candidate's name in the "candidate" column on the ballot and also specify the shareholder account number. If the candidate is not a shareholder, the ID number shall be specified. When the candidate is a government or corporate shareholder, the candidate column of the ballot shall be completed with the name of the corporation in accordance with the first paragraph, Article 27 of the Company Act. Alternatively, the corporation's name and its representative's name may be indicated in accordance with the second paragraph of the same Article.
- Article 9 A ballot is invalid under any of the following circumstances:
1. Failure to use ballots provided under these Regulations.
 2. Inserting blank ballots into the voting box.
 3. Illegible ballots.
 4. The candidate's name indicated is not identifiable.
 5. Additional text other than the candidate's name and shareholder account number or ID number.

6. The candidate's name specified is the same as another shareholder's name and no shareholder account number is specified for identification.
7. Failure to complete the ballot in accordance with the rules in the "Remarks" column.

Article 10 To elect directors, the board of directors shall put in place a voting box. The voting box shall be verified by the vote supervisor on site. After the voting is completed, the vote supervisor shall open the voting box together with the vote recorder.

Article 11 Vote recording shall be done under the supervision of the vote supervisor. Votes shall be opened on site and the voting results shall be announced by the chairman on site.

Article 12 The Company shall issue election notices to the elected directors.

Article 13 If there is 1/3 or more vacancies in the board seats, the board of directors shall hold a special shareholders meeting to fill the vacancy within 30 days. The term of the elected directors shall be until the end of the term of the original directors. After the Company's shares are publicly issued, the board of directors have 60 days to hold the special shareholders meeting to fill the vacancies.

Article 14 If the number of independent directors of the Company is below the requirement of the proviso, first paragraph, Article 14-2 of the Securities Transaction Act or the Listing Review Guidelines, the vacancies shall be filled in the following shareholders meeting. If all independent directors are dismissed, a special shareholders meeting shall be held within 60 days from the date of occurrence of the event to fill the vacancies.

Article 15 If the elected directors of the Company fail to meet the requirements under Article 26-3 of the Securities Transaction Act, among the directors who fail to meet such requirements, the election of those who have received ballots representing the lesser number of voting rights shall be nullified.

Article 16 In accordance with the numbers of directors required in the Articles of Association, independent directors and non-independent directors shall be elected at the same time, with the voting rights calculated separately. Those who receive ballots representing the highest number of voting rights shall be elected as independent directors or non-independent directors respectively.

Article 16-1 The election and qualifications of independent directors of the Company shall be consistent with the Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies and Article 24 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 17 Independent directors of the Company are elected through the candidate nomination system. Shareholders holding 1% or more shares of total outstanding shares and the board of directors may propose a list of candidates of independent directors. After the board of directors reviews the conditions required of independent directors, the list shall be submitted to the shareholders meeting for election by the shareholders from among such list of candidates for independent directors. Matters related to the manner of candidate nomination and publication of

independent directors shall be governed by applicable laws such as the Company Act and the Securities Transaction Act.

Article 18 These Regulations, including any amendment hereto, are implemented following the approval by the shareholders meeting.

These Regulations were established on December 4, 2014

Appendix 7

Jinan Acetate Chemical Co., LTD.

Shareholding of All Directors

1. The paid-in capital of the Company is NT\$464,800,000 and the outstanding shares are 45,967,000 shares.
2. The Company has established the audit committee, so it does not have any supervisor. As of the date of transfer suspension provided at the general meeting of shareholders this time, the shares actually held by all directors were 27,666,000 shares, which are 59.52% of total shares issued by the Company.
3. Article 26 of the Securities and Exchange Act is not applicable to the Company.

Date of transfer suspension: April 30, 2019

Title	Name	Date of Election	Term of Office	Current Shareholding	
				Number of Shares	Shareholding Rate %
Chairman	Mingzhen Co., Ltd. Representative: Wang, Ko-Chang	2017/6/28	3 years	16,373,000	35.23
Director	JuiLung Trading Co., Ltd. Representative: Hsu, Cheng-Tsai	2017/6/28	3 years	3,431,000	7.38
Director	Macrifer Trading Sociedad Representative: Ericson Fensterseifer	2017/6/28	3 years	7,862,000	16.91
Director	Macrifer Trading Sociedad Representative: Yang, Li-Min	2017/6/28	3 years		
Independent Director	Lin, Tzer-Jong	2017/6/28	3 years	0	0.00
Independent Director	Lin, Wen-Cheng	2017/6/28	3 years	0	0.00
Total				27,666,000	59.52