



2017 Annual General Shareholders' Meeting

Meeting Handbook

Thursday, 10:00am , June 15, 2017

Exhibition Hall 1, 4F, No.99, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City, Taiwan

DISCLAIMER:

THIS ENGLISH HANDBOOK FOR 2017 ANNUAL GENERAL SHAREHOLDERS' MEETING IS TRANSLATED FROM THE CHINESE VERSION EXCEPT ATTACHMENT 9 AND APPENDIX 3. IT IS INTENDED FOR REFERENCE ONLY. THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES FOR THE TRANSLATION. THE CHINESE MEETING HANDBOOK, EXCEPT MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY, SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

TABLE OF CONTENTS

I .Meeting Procedures.....	1
II .Meeting Agenda.....	3
1. Report Matters.....	5
2. Acknowledgement Matters.....	6
3. Proposals and Discussions	8
4. Extemporany Motion	10
III.Attachments	11
1. 2016 Business report	12
2. 4 th Quarter, 2016 Execution Status Report on Sound Business Plan	16
3. 2016 Audit Committee’s Review Report	18
4. Comparison Table of the Amendment to Rules of Procedure for Board of Directors Meeting	19
5. Independent Auditors’ Audit Report and 2016 Consolidated Financial Statements.....	20
6. 2017 (First) Employee Stock Option Plan	27
7. Comparison Table of the Amendment to Operational Procedures for Acquisition and Disposal of Assets	33
8. Proposal to Release the Non-Competition Prohibition of Board Directors	69
9. Comparison Table of the Amendment to Memorandum and Articles of Association of the Company.....	72
IV.Appendices	75
1. Rules and Procedures of Shareholders’ Meeting	76
2. Operational Procedures for Acquisition and Disposal of Assets (Before Amendment)	84
3. Memorandum and Articles of Association of the Company (Before Amendment)	102
4. Shareholdings of All Board Director	138

I. Meeting Procedures

Tanvex BioPharma, Inc.
(the “Company”)

Procedures of 2017 Annual General Shareholders’ Meeting

1. Call the Meeting to Order
2. Chairman’s Address
3. Report Matters
4. Acknowledgment Matters
5. Proposals and Discussions
6. Extemporaneous Motion
7. Meeting Adjourned

II. Meeting Agenda

Tanvex BioPharma, Inc.

Meeting Agenda of 2017 Annual General Shareholders' Meeting

Time: Thursday, 10:00 am, June 15, 2017, Taipei Local Time

Venue: Hall 1, 4F, No.99, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City, Taiwan

Present: All shareholders or their proxy holders

Chairman: Mr. Chi-Chuan Chen

Call the Meeting to Order

Chairman's Address

1. Report Matters

- (1) The 2016 Business Reports.
- (2) The Audit Committee's review of the Annual Financial Audit Report of Year 2016.
- (3) The Amendment of the Rules of Procedure for Board of Directors Meeting.

2. Acknowledgement Matters

- (1) To accept 2016 Business Report and Consolidated Financial Report.
- (2) To accept the proposal of the 2016 loss make-up.

4. Proposals and Discussions

- (1) The issuance of Employee Stock Option Plan for Year 2017.
- (2) The Amendment of the Operational Procedures for Acquisition and Disposal of Assets.
- (3) Release of Prohibition on Non-Competition of Board Directors.
- (4) The Amendment of the Company's Memorandum and Articles of Association. (To be approved by way of special resolution)

5. Extemporaneous Motion

6. Meeting Adjourned

1. Report Matters

Item 1: The 2016 Business Report.

Explanation:

- (1) The Company's Business Report of 2016 is attached as Attachment 1. Please refer to page 12.
- (2) In accordance with the Letter of Jeng-Gre-Shen-Ji number 1040019420 dated July 28th, 2015 issued by Taipei Exchange, it is required for the Company to submit the quarterly execution status report on sound business plan to the Board of Directors for monitoring, and to report in the Shareholders' meeting.
- (3) The 4th quarter, 2016 execution status report on sound business plan is attached as Attachment 2, please refer to page 16.

Item 2: The Audit Committee's review of the Annual Financial Audit Report of Year 2016.

Explanation: The Audit Committee's review report is attached as Attachment 3. Please refer to page 18.

Item 3: The Amendment of the Rules of Procedure for Board of Directors Meeting.

Explanation:

- (1) According to Regulations Governing Procedure for Board of Directors Meetings of Public Companies, the Company hereby proposes to amend the Rules of Procedure for Director Meetings.
- (2) The comparison table of amendment to Rules of Procedure for Board of Directors Meeting is attached as Attachment 4. Please refer to page 19.

2. Acknowledgement Matters

Item 1: Proposal to accept 2016 Business Report and Consolidated Financial Report (proposed by the Board of Directors).

Explanation:

- (1) The Company's 2016 Business Report and Consolidated Financial Report have been approved by the Board of Directors and reviewed by the Audit Committee of the Company. The 2016 Consolidated Financial Report, including Balance Sheet, Statements of Comprehensive Income, Statement of Changes in Equity and Statements of Cash Flows were audited by Ms. Hui-Jin Tseng and Mr. Sheng-Wei Teng of PricewaterhouseCoopers Taiwan and issued the unqualified opinion of the auditor's report.
- (2) 2016 Business Report, Independent Auditors' Audit Report and the aforementioned Consolidated Financial Report are attached as attachments 1 and 5 on page 12 and 20.
- (3) It is proposed to approve the proposal.

Resolution:

Item 2: Proposal to accept the loss make-up of 2016 (proposed by the Board of Directors)

Explanation:

- (1) After auditing by the CPA, in Year 2016 the Company's net loss after tax is NT\$ 1,244,445,742. After adding accumulated deficit of NT\$ 835,255,273 in the beginning of 2016, the aggregated accumulated deficit is NT\$ 2,079,701,015.
- (2) The annual loss make-up for 2016 is as follows:

Expressed in New Taiwan Dollar

Item	Amount
Losses to be covered in the beginning of the year	(835,255,273)
Plus: 2016 Net loss after tax	(1,244,445,742)
Losses to be covered at the end of the year	(2,079,701,015)

(3) It is proposed to approve the proposal.

Resolution:

3. Proposals and Discussions

Item 1: Proposal to issue the Employee Stock Option Plan for Year 2017 (proposed by the Board of Directors).

Explanation:

- (1) To attract and retain the talents/ skilled employees needed for development of the Company, to boost employee's loyalty to the Company, and to jointly create benefit for the Company and its shareholders, in accordance with Article 17 of the Company's Memorandum and Articles of Association, it is proposed to adopt the 2017 (first) Employee Stock Option Plan (the "Plan").
- (2) The maximum aggregate number of options that may be issued under the Plan is 6,000 units. The maximum number of common shares that may be issued pursuant to the Plan is 6,000,000 shares. The maximum aggregate number of shares which may be purchased by exercising the new options granted under the Plan shall not exceed 10% of the total issued shares of the Company.
- (3) The grant price shall not be lower than the fair market value of the Company's common shares on the date of issue/grant. For these purpose, the fair market value on the date of grant shall be determined as follows: When the Company shares are traded on the Emerging Market, the fair market value shall be the total value of the Company's common shares traded in the Emerging Market Computerized Price Negotiation and Click System each trading day of the 30-trading-day period preceding the issue/ grant date, divided by total number of the Company's common shares traded on the Emerging Market each trading day of the 30-trading-day period preceding the issue/ grant date and, in any case, shall not be lower than the net worth per share as shown in the Company's latest financial statements audited or reviewed by a CPA. When the Company shares are listed on the Taiwan Stock Exchange or the Taipei Exchange, the fair market value shall be the closing price of the Company's common shares on the date of issue/grant.
- (4) The 2017 (First) Employee Stock Option Plan is attached as Attachment 6. Please refer to page 27.
- (5) It is proposed to approve the proposal.

Resolution:

Item 2: Proposal to Amend the Operational Procedures for Acquisition and Disposal of Assets (proposed by the Board of Directors).

Explanation:

- (1) Pursuant to the amendment of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies issued in Ruling No. 1060001296 dated February 9, 2017 by the Financial Supervisory Commission, the Company hereby proposes to amend the Operational Procedures for Acquisition and Disposal of Assets.
- (2) The comparison table of amendment to Operational Procedures for Acquisition and Disposal of Assets is attached as Attachment 7. Please refer to page 33.
- (3) It is proposed to approve the proposal.

Resolution:

Item 3: Proposal to Release the Prohibition on Non-Competition of Directors (proposed by the Board of Directors).

Explanation:

- (1) According to Article 209 of the Company Act of the Republic of China, a Director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) A Director who does anything for himself or on behalf of another person that is within the scope the company's or similar company's business and assumes a role of Director or Officer, if there are no damages to the company's interests, shall be removed from the limitation of non-compete clause according to Section 97B of the Articles of Association.
- (3) The details of the proposal to release the non-competition prohibition is attached as Attachment 8. Please refer to page 69.
- (4) It is proposed to approve the proposal.

Resolution:

Item 4: Proposal to Amend the Company's Memorandum and Articles of Association. (To be approved by way of special resolution).

Explanation:

- (1) To establish the Company's Memorandum and Articles of Association in compliance with Taiwan laws and referring to the newly amended Article 14 of the Regulations Governing Public Tender Offers for Securities of Public Companies of Republic of China, it is proposed that corresponding articles of the Company's Memorandum and Articles of Association be amended.
- (2) The comparison table of content of amendment of articles is attached as Attachment 9. Please refer to page 72.
- (3) The English version of the Memorandum and Articles of Association of the Company shall govern if there is any discrepancy between the Chinese and English versions.
- (4) It is proposed to approve the proposal by way of special resolution.

Resolution:

4. Extemporaneous Motion

5. Meeting Adjourned

III. Attachments

Tanvex BioPharma, Inc.

2016 Business Report

Exorbitant price of biologics drugs has been a significant financial burden on the healthcare system globally. As the largest single market of biologics drugs, United States is the country facing the highest medical expenditures in the world. Consequently, quality, effective and affordable biosimilar product has emerged as one of the best solution to reduce medical costs all over the world. In 2015, the first biosimilar product (Zarzio, by Sandoz) was approved by US Food and Drug Administration (US FDA). Three more biosimilars products received US FDA approval in 2016. This trend indicates the access to biosimiar industry has begun to open widely in the United States.

Tanvex BioPharma, Inc. (Tanvex) is targeting US biosimilar market, by equipping with vertical integration of in-house process from research and development, manufacturing, commercialization to sales and marketing. In 2016, we have achieved a growth sprint in order to seize the booming of the biosimilar industry. Highlights of our accomplishments are summarized as below:

1. Products and Corporate Development

To fulfill our commitment to shareholders and employees, we have been diligently working on the layout for commercialization. The Products development progress of 2016 highlighted as below:

- **Product Developments**

- **TX01**

It was approved by US FDA on phase III clinical study in September 2016. Scale-up process has been completed and ready for commercialized production.

- **TX05**

Scale-up process has been completed and ready for commercialized production. Phase III clinical study application has been completed. Further discussion with US FDA has been scheduled.

→ **TX16**

Scale-up process has been completed and ready for commercialized production. Investigational New Drug (IND) application was submitted to US FDA in December 2016 and was approved by US FDA to proceed with phase I clinical study in January 2017.

→ **Antibody new drug candidate TX88**

Signed technology licensing agreement with Taipei Medical University on antibody candidate drug GPC-3 which enabled us to enter new drug development field, increase research and development capacity and enhance our product pipelines.

→ As of the end of 2016, the products development status as below:

Product Code	Type	Development Stage (As of 12/31/2016)				
		Preclinical	IND	Phase I	Phase III	BLA
TX01	Bio-similar	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
TX05		<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
TX16		<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
TX17		<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
TX88	New Drug	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>

- **Business Developments**

As our products are entering pivot stages of clinical studies, and soon will be introduced to the market, Tanvex has proactively prepared for the commercialized production, packaging, warehouse, transportation and other logistic requirements. In 2016, we have completed the following constructions:

→ US subsidiary, La Jolla Biologics, Inc. (“LJB”) has completed one 150 Liter Microbial fermenter production line, with space reserved for one more production lines to adapt to future capacity expansion.

→ LJB also has completed four 1,000 Liter Mammalian bioreactor production lines, with space reserved for 6,000 Liter production line to adapt future capacity expansion.

- LJB has completed a fully automated fill finish line and packaging line.
- LJB has leased a new building devoted to administration, research and development labs and warehouse in order to meet the future needs of business operation.
- Taiwan subsidiary (Tanvex Biologics Corporation) has completed expansion on labs and equipment.

2. 2016 Financial Performance and Budget Execution Status

Since our products are still at research and development stage in 2016, no revenue has been generated in the year. 2016 financial performance are analyzed as following:

Unit: NTD in thousands, NTD for loss per share

Description	2016	2015	Variance	% of Variance
Sales and Revenue	0	0	0	0%
Cost of Goods Sold	0	0	0	0%
Operating Expenses	-1,351,518	-831,952	-519,566	62%
Non-operating Income and Expenses	107,098	-3,278	110,376	-3,367%
Income Tax Expense	-26	-25	-1	4%
Net Loss after tax	-1,244,446	-835,255	-409,191	49%
Net Loss Per Share (NT\$)	-6.61	-5.95	-0.66	11%

We have continuously invested in research and development activities and manufacturing capacities in 2016 in order to synchronize with the product development progress. As a result, the net loss of 2016 was NT\$1.2 billion which is NT\$409 million more than 2015. Among the loss, research and development costs counted for NT\$1.1 billion, a 67% increase over last year.

All products developments have been implemented as planned and budgeted NT\$1.6 billion in 2016. In the meantime, we closed NT\$3.3 billion equity financing in March, 2016. Resulted net value per share increased from NT\$8.7 in 2015 to NT\$18.51 in 2016.

Tanvex is not only devoted to improve patients' care, but also committed to increase the company and the shareholders' value. To establish a reputable position in the industry, and attract international investors to build world-wide connections, we submitted public offer application to Taiwan Stock Exchange in November 2016.

3. Outlook

Based on the forecast and analysis reports by Allied Market Research, the total global biosimilar market share was US\$2.25 billion in 2014. It was projected that the market will grow at 49.1% compound annual rate during 2015 to 2020, and will reach \$26.55 billion by 2020. With the expectation of prosperous future of biosimilar, and to take advantage of this unprecedented opportunity, Tanvex will dedicate to complete phase III clinical study for TX01, Phase I clinical study for TX16, and start phase III clinical study for TX05 in 2017. Along with the gradually growth of biosimilar market, and with our core value of trust, innovation, flexibility and persistent efforts, Tanvex's team will continue to committee resources into product development, strengthen our competitive advantage, add to shareholders' value, eventually reach the summit of the international biopharmaceutical industry.

Tanvex BioPharma, Inc.

Execution Status Report on Sound Business Plan

For the 4th Quarter, 2016

1. Company Overview

Tanvex BioPharma, Inc. was established in May 8th, 2013, and has two 100 % owned subsidiaries which are La Jolla Biologics, Inc. (“LJB”) in San Diego, CA, U.S.A. and Tanvex Biologics Corporation (“Tanvex Taiwan”) in Xizhi, New Taipei City, Taiwan. (together hereinafter, the “Company”). LJB is mainly engaging in process development and manufacturing of biosimilar products, and, Tanvex Taiwan is focusing on cell line development and initial bioprocess research and development. A representative office was also established in Taipei City, Taiwan to facilitate related operations.

2. Status of Product Development

The Company is committed to the process development, manufacturing and sale and marketing of biosimilar products.

As of the end of December, 2016, the primary projects status is listed as followings:

Product Code	Primary Indication	Development Status
TX01	Neutropenia caused by chemotherapy for cancer	<ul style="list-style-type: none"> • Approved by US FDA on phase III clinical trial in September, 2016. • Phase III clinical trial kicked-off in October, 2016.
TX05	Breast cancer	<ul style="list-style-type: none"> • Phase I Clinical trial completed in Q2, 2016 • Further discussion on Phase III clinical trial and documentation with US FDA has been scheduled.
TX16	Metastatic colorectal cancer and Lung cancer	<ul style="list-style-type: none"> • Submitted the IND to US FDA in December, 2016 • IND Approved by US FDA to start phase I clinical trial in January, 2017
TX17	Rheumatoid arthritis	<ul style="list-style-type: none"> • Process Development
TX88	GPC-3 Antibody new drug candidate for cancer treatment	<ul style="list-style-type: none"> • Preclinical stage

3. 2016 major business activities

For the related business plan execution progress of the Year 2016, please refer to the 2016 Business Report in the Handbook of 2017 Annual General Shareholders’ Meeting of the Company.

4. 2016 Financial Performance

Since our products are still in research and development stage in 2016, we have continuously invested in R&D activities and manufacturing capacities to synchronize with product development progress and timeline. As a result, after the annual audit by CPAs, the net loss after tax is NT\$1.2billion which is NT\$409 million more than 2015. Among the loss, the R&D costs counted for NT\$1.1 billion, a 67% increase over last year.

Meanwhile, Tanvex closed NT\$3.3 billion equity financing in March, 2016 to support its business operation. The net value per share increased from NT\$8.7 in 2015 to NT\$18.51 in 2016. As of the end of 2016, the consolidated net cash balance is approximately NT\$1.3 billion, other current financial assets is NT\$1.6 billion and the total assets valued approximately NT3.9 billion.

As the result after the annual audit performed by CPAs, Tanvex's financial performance of Q4, 2016 has fully met the financial planning in the Sound Business Plan.

Tanvex BioPharma, Inc. Audit Committee's Review Report

March 28, 2017

The Board of Directors has prepared the Company's 2016 business report, Financial Statements and proposal for loss make-up. The CPA firm of PricewaterhouseCoopers Taiwan was retained to audit Tanvex BioPharma, Inc.'s Financial Statements and has issued an unqualified audit report relating to the Financial Statements. The Business Reports, Financial Statements, and proposal for Loss make-up have been reviewed and determined to be correct and accurate by the Audit Committee members of Tanvex BioPharma, Inc. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this Report.

Sincerely,

To 2017 Annual General Shareholders' Meeting of Tanvex BioPharma, Inc.

Convener of the Audit Committee
Lee-Chiou Chang

TANVEX BIOPHARMA, INC.

Comparison Table of the Amendment to Rules of Procedures for Board
of Directors Meeting

Article	After Amendment	Before Amendment	Remarks
3	<p>Meetings of Board of Directors and Notice of Meeting</p> <p>The board of directors of the Company shall meet once every quarter.</p> <p>To convene a meeting of the board of directors, a notice specifying the reasons of the meeting shall be given to each director and supervisor no later than 7 days prior to the scheduled meeting date. However, in case of emergency, an extraordinary meeting of the board of directors may be convened at any time.</p> <p>The notice of meeting mentioned in this article may be delivered electronically <u>if agreed by the recipient</u>.</p>	<p>Meetings of Board of Directors and Notice of Meeting</p> <p>The board of directors of the Company shall meet once every quarter.</p> <p>To convene a meeting of the board of directors, a notice specifying the reasons of the meeting shall be given to each director and supervisor no later than 7 days prior to the scheduled meeting date. However, in case of emergency, an extraordinary meeting of the board of directors may be convened at any time.</p> <p>The notice of meeting mentioned in this article may be delivered electronically.</p>	<p>Amendment in accordance with Article 3(3) of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Tanvex Biopharma, Inc.

We have audited the accompanying consolidated balance sheets of Tanvex Biopharma, Inc. and its subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tanvex Biopharma, Inc. and its subsidiaries as of December 31, 2016 and 2015, and their financial performance and cash flows for the years ended in conformity with the "Rules Governing the Preparation of Financial Statements by Securities Issuers" and International

Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Tseng, Hui-Chin

Teng, Sheng-Wei

and on behalf of PricewaterhouseCoopers, Taiwan

March 28, 2017

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

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

TANVEX BIOPHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2016		December 31, 2015	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,301,659	33	\$ 758,225	48
1200	Other receivables		5,170	-	400	-
1210	Other receivables - related parties	7	-	-	56	-
1410	Prepayments		32,620	1	21,791	2
1476	Other current financial assets	6(2)	1,613,787	42	-	-
11XX	Total current assets		2,953,236	76	780,472	50
Other non-current assets						
1600	Property, plant and equipment	6(3)	832,549	22	704,701	45
1780	Intangible assets	6(4)	57,665	1	59,749	4
1920	Refundable deposits		25,233	1	21,774	1
1990	Other non-current assets		3,669	-	2,718	-
15XX	Total non-current assets		919,116	24	788,942	50
1XXX	Total assets		\$ 3,872,352	100	\$ 1,569,414	100

(Continued)

TANVEX BIOPHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2016		December 31, 2015	
			AMOUNT	%	AMOUNT	%
Total current liabilities						
2150	Notes payable		\$ 1,934	-	\$ -	-
2200	Other payables	6(5)	231,213	6	99,650	7
2300	Other current liabilities	6(6)	-	-	2,752	-
21XX	Total current liabilities		<u>233,147</u>	<u>6</u>	<u>102,402</u>	<u>7</u>
2600	Non-current liability	6(6)	<u>66,098</u>	<u>2</u>	<u>19,012</u>	<u>1</u>
2XXX	Total Liabilities		<u>299,245</u>	<u>8</u>	<u>121,414</u>	<u>8</u>
Share capital		6(9)				
3110	Common stock		1,929,927	50	1,664,084	106
Capital surplus		6(10)				
3200	Capital surplus		3,776,397	97	563,412	36
Retained earnings		6(11)				
3350	Accumulated deficit		(2,079,701) (54)	(54)	(835,255) (53)	(53)
Other equity interest		6(12)				
3400	Other equity interest		(53,516) (1)	(1)	55,759	3
31XX	Equity attributable to owners					
	of the parent		<u>3,573,107</u>	<u>92</u>	<u>1,448,000</u>	<u>92</u>
3XXX	Total equity		<u>3,573,107</u>	<u>92</u>	<u>1,448,000</u>	<u>92</u>
Significant contingent liabilities		9				
and unrecognised contract						
commitments						
3X2X	Total liabilities and equity		<u>\$ 3,872,352</u>	<u>100</u>	<u>\$ 1,569,414</u>	<u>100</u>

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

TANVEX BIOPHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for loss per share amounts)

Items	Notes	Year ended December 31			
		2016		2015	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue		\$ -	-	\$ -	-
5000 Operating costs		-	-	-	-
5900 Gross profit from operations		-	-	-	-
Operating expenses					
6200 Administrative expenses	6(15)(16)	(243,529)	-	(169,755)	-
6300 Research and development expenses	6(15)(16) and 7(2)	(1,107,989)	-	(662,197)	-
6000 Total operating expenses		(1,351,518)	-	(831,952)	-
6900 Operating loss		(1,351,518)	-	(831,952)	-
Non-operating income and expenses					
7010 Other income	6(13) and 7	25,648	-	903	-
7020 Other gains and losses	6(14)	81,450	-	(4,181)	-
7000 Total non-operating income and expenses		107,098	-	(3,278)	-
7900 Loss before income tax		(1,244,420)	-	(835,230)	-
7950 Income tax expense	6(17)	(26)	-	(25)	-
8200 Net loss for the year		(\$ 1,244,446)	-	(\$ 835,255)	-
Other comprehensive (loss) income, net					
Components of other comprehensive (loss) income that will not be reclassified subsequently to profit or loss					
8361 Exchange differences on translation of foreign financial statements		(\$ 109,275)	-	\$ 42,423	-
8500 Total comprehensive loss		(\$ 1,353,721)	-	(\$ 792,832)	-
Loss attributable to:					
8610 Owners of the parent		(\$ 1,244,446)	-	(\$ 835,255)	-
Comprehensive loss attributable to:					
8710 Owners of the parent		(\$ 1,353,721)	-	(\$ 792,832)	-
Loss per share	6(18)				
9750 Basic loss per share		(\$ 6.61)		(\$ 5.95)	
9850 Diluted loss per share		(\$ 6.61)		(\$ 5.95)	

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

TANVEX BIOPHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent					
		Capital Surplus					
Notes	Share capital - common stock	Additional paid-in capital	Employee stock options	Others	Accumulated deficit	Exchange differences on translation of foreign financial statements	Total
Year ended December 31, 2015							
	\$	\$	\$	\$	(\$	\$	\$
Balance at January 1, 2015	392	892,095	20,515	-	(336,708)	13,350	589,644
Issuance of shares	105	1,573,395	-	-	-	-	1,573,500
Capital surplus used to offset against accumulated deficit	-	(336,708)	-	-	336,708	-	-
Issuance of shares from capital surplus	1,656,132	(1,656,132)	-	-	-	-	-
Effect of rate exchange in par value	14	-	-	-	-	(14)	-
Compensation cost of employee stock options	-	-	42,251	-	-	-	42,251
Forfeiture of employee share options	-	-	(596)	596	-	-	-
	7,441	42,119	(14,123)	-	-	-	35,437
	-	-	-	-	(835,255)	-	(835,255)
	-	-	-	-	-	42,423	42,423
Balance at December 31, 2015	\$ 1,664,084	\$ 514,769	\$ 48,047	\$ 596	(\$ 835,255)	\$ 55,759	\$ 1,448,000
Year ended December 31, 2016							
	\$	\$	\$	\$	(\$	\$	\$
Balance at January 1, 2016	1,664,084	514,769	48,047	596	(835,255)	55,759	1,448,000
Issuance of shares	260,000	3,068,000	-	-	-	-	3,328,000
Issuance of shares from compensation cost of employee stock options	-	4,420	-	-	-	-	4,420
Compensation cost of employee stock options	-	-	132,062	-	-	-	132,062
Forfeiture of employee share options	-	-	(226)	226	-	-	-
Exercise of employee share options	5,843	14,614	(6,111)	-	-	-	14,346
Loss for the year	-	-	-	-	(1,244,446)	-	(1,244,446)
Other comprehensive loss for the year	-	-	-	-	-	(109,275)	(109,275)
Balance at December 31, 2016	\$ 1,929,927	\$ 3,601,803	\$ 173,772	\$ 822	(\$ 2,079,701)	(\$ 53,516)	\$ 3,573,107

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

TANVEX BIOPHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

		Years ended December 31	
	Notes	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(\$ 1,244,420)	(\$ 835,230)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(15)	104,205	59,250
Amortization	6(15)	13,370	8,132
Compensation cost of employee stock options	6(8)	136,482	42,251
Interest income	6(13)	(10,652)	(444)
Loss on disposal of property, plant and equipment	6(14)	3,207	4,334
Property, plant and equipment transferred to expense		792	2,826
Changes in operating assets and liabilities			
Changes in operating assets			
Other receivables		(4,770)	(238)
Other receivables - related parties		56	56
Prepayments		(10,829)	(6,845)
Changes in operating liabilities			
Notes payable		1,934	(538)
Other payables		122,239	43,882
Other payables - related parties		-	(1,411)
Other current liabilities		(2,752)	570
Non-current liability		47,086	(1,208)
Cash outflow generated from operations		(844,052)	(684,613)
Interest received		10,652	444
Income tax paid	6(17)	(26)	(26)
Net cash flows used in operating activities		(833,426)	(684,195)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of other current financial assets	6(2)	(1,613,787)	-
Acquisition of property, plant and equipment		(238,149)	(359,154)
Proceeds from disposal of property, plant and equipment		4,239	302
Increase in intangible assets		(10,413)	(14,316)
Increase in refundable deposits		(4,138)	(21,076)
Decrease in other receivables		465	-
Increase in other non-current assets		(1,631)	-
Net cash flows used in investing activities		(1,863,414)	(394,244)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of shares	6(9)	3,328,000	1,573,500
Exercise of employee stock options		14,346	35,437
Net cash flows from financing activities		3,342,346	1,608,937
Effect of exchange rate changes on cash and cash equivalents		(102,072)	24,522
Net increase in cash and cash equivalents		543,434	555,020
Cash and cash equivalents at beginning of year		758,225	203,205
Cash and cash equivalents at end of year		<u>\$ 1,301,659</u>	<u>\$ 758,225</u>

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

**TANVEX BIOPHARMA, INC.
2017 (First) Employee Stock Option Plan**

1. Plan Objectives

This Tanvex BioPharma, Inc. 2017 (First) Employee Stock Option Plan (the “**Plan**”) is designed to attract and retain the talented/skilled employees needed for development of Tanvex BioPharma, Inc. (the “**Company**”), provide incentives for employees to stay on their jobs, and boost employees’ loyalty to the Company that benefits both the Company and its shareholders.

2. Issuance Period

Within one year after the regulatory approval is received, the employee stock options may be issued and granted in whole or tranches, and following expiration of such one-year period, no employee stock options may be granted under the Plan. The actual issue/grant date(s) will be decided by the Board of Directors of the Company (the “**Board of Directors**”) or a person authorized by the Board of Directors.

3. Eligibility for Options

- a. As of the record date of eligibility, all full-time employees of the Company and its subsidiaries (according to the Statement of the Financial Accounting Standard No. 5, a subsidiary means a company in which the Company, directly or indirectly, holds more than 50% of voting shares) are eligible to participate in the Plan. The record date of eligibility will be decided by the Chairman or a person designated by the Chairman.
- b. Eligible employees and the number of options granted to an employee will be determined based on a number of factors, including seniority, job grade, job performance, contribution, special achievement and other conditions. The grant of options to respective employees will be proposed by the management and approved by the CEO and submitted to the Board of Directors for resolution. If any such employee is an officer or also a director, the grant of options shall be approved by the Compensation Committee and then submitted to the Board of Directors for final approval.
- c. If the Company issues employee stock options pursuant to Article 60(2) of the Regulations Governing the Offering and Issuance of Securities by Foreign Issuers which applies Article 56-1 of the Regulations Governing the Offering and Issuance of Securities by Issuers, the cumulative number of shares subscribable by a single option holder, in combination with the cumulative number of restricted shares granted to the single option holder, shall not exceed 0.3% of the Company’s total issued shares. And the above in combination with the cumulative number of shares subscribable by the single option holder of employee stock options issued pursuant to Article 56(1) of the Regulations Governing the Offering and Issuance of Securities by Issuers, shall not exceed 1% of the Company’s total issued shares. However, with special approval from the central competent authority of the relevant industry, the total number of employee stock options and restricted shares obtained by a

single employee may be exempted from the above-mentioned restriction.

- d. All stock option holders shall comply with the relevant confidentiality agreements and shall not disclose the quantity and contents of stock options to any third party unless requested by the law and the relevant authorities.

4. Volume of Issue

- a. The maximum aggregate number of options that may be issued under the Plan is 6,000 units, where each unit gives the stock option holder the right to purchase 1,000 shares of the Company's common shares. The maximum number of common shares that may be issued pursuant to the Plan is 6,000,000 shares. The maximum aggregate number of common shares available under the Plan may be issued under the Plan pursuant to the exercise of options designated in option agreements as incentive stock options.
- b. The maximum aggregate number of shares which may be purchased by exercising the new options granted under the Plan shall not exceed 10% of the total issued shares of the Company.

5. Terms and Conditions for Exercising Stock Option

- a. Grant price: The grant price shall not be lower than the fair market value of the Company's common shares on the date of issue/grant. For these purposes, the fair market value shall be determined as follows: When the Company shares are traded on the Emerging Market, the fair market value shall be the total value of the Company's common shares traded in the Emerging Market Computerized Price Negotiation and Click System each trading day of the 30-trading-day period preceding the issue/grant date, divided by total number of the Company's common shares traded on the Emerging Market each trading day of the 30-trading-day period preceding the issue/grant date and, in any case, shall not be lower than the net worth per share as shown in the Company's latest financial statements audited or reviewed by a CPA. When the Company shares are listed on the Taiwan Stock Exchange or the Taipei Exchange, the fair market value shall be the closing price of the Company's common shares on the date of issue/grant.
- b. Vesting schedule and exercise period: Starting from the second anniversary of the date of grant of the employee stock option, an option holder is entitled to exercise his stock option rights according to following schedule. The exercise period for the options is ten (10) years from the date of grant of the stock option. Stock option holders may not transfer, pledge, gift or dispose of the options in other ways except by inheritance to their heirs. Upon the expiration of the exercise period, unexercised options are deemed forfeited by the stock option holder.

Schedule	Exercisable stock option percentage
Second anniversary (i.e. starting from the third year of the grant date)	50%

Third anniversary (i.e. starting from the fourth year of the grant date)	75%
Fourth anniversary (i.e. starting from the fifth year of the grant date)	100%

- c. Type of share underlying the options: common shares of the Company.
- d. In the event an option holder's employment is terminated because of his/her breach of the relevant agreements with the Company and/or its subsidiaries or the work rules of the Company and/or its subsidiaries, the Company is entitled to revoke and forfeit any unvested and any vested but unexercised options. In the Company's sole discretion, the Company may decide to allow the stock option holder who is terminated in the above-mention circumstance to exercise his/her vested options within thirty days after the termination of employment.
- e. Except as otherwise provided under an option agreement between the Company and an employee, option holders whose employment is terminated other than "for cause" shall settle their options during the aforesaid exercise period by the following manners:
 - (1) In case of voluntary separation: The stock option holder shall exercise his/her vested options within thirty days after termination of employment, if at all. Upon the expiration of the aforesaid exercise period, unexercised options are deemed forfeited by the stock option holder.
 - (2) In case of retirement or expiry of employment contract: The stock option holder may exercise all options received upon retirement or expiry of employment contract without being subjected to the restrictions specified under Section 5.b, provided that two years have elapsed since the date of grant of such options. However the exercise shall be carried out, if at all, in one year starting from the date of retirement, the expiry of employment contract, or two years after the grant of options, whichever comes later.
 - (3) In case of death of general cause: The heir(s) of the deceased stock option holder may exercise the vested options of said stock option holder within one year starting from the date of death. Upon the expiration of the aforesaid exercise period, unexercised options are deemed forfeited by the heir(s) of such stock option holder. Unvested options of the stock option holder will lapse on the day of death of said stock option holder.
 - (4) In case of occupational casualty: Stock option holders who are unable to remain on the job due to an occupational casualty may, within one year starting from the date of occupational casualty, exercise all options received without being subjected to the restrictions specified under Section 5.b hereof. The heir(s) of a stock option holder who died due to an occupational casualty may exercise all remaining options received

by said stock option holder within one year starting from the date of death without being subjected to the restrictions specified under Section 5.b hereof.

- (5) In case of layoff: Laid-off stock option holder (and who is not terminated “for cause” or otherwise under Section 5.d) shall exercise his/her vested options within thirty days after termination of employment. Upon the expiration of the aforesaid exercise period, unexercised options are deemed forfeited by the stock option holder.
 - (6) The Company will cancel all options forfeited by the stock option holder or revoked by the Company without reissue.
- f. The processing of forfeited stock option rights: The Company will cancel all stock options that are either forfeited by option holders or option rights are not exercised before the expiry date. Such stock options will not be re-issued by the Company.

6. Method for Performance of Contract

Settlement upon the exercise of share options will be made through the issuance of new shares.

7. Adjustment of Exercise Price

- a. After the issuance of the option, in the event that (i) (x) the Company issues any share capital (including but not limited to rights issue, capitalization of retained earnings or capital surplus, issuance of share capital as consideration for a merger or similar event, stock split, rights issue for sponsoring issuances of overseas depositary receipts or issuances of share capital in exchange of share capital or other consideration of another company), the prevailing exercise price shall be adjusted downward in accordance with the following formula (Computation up to decimal one digit of New Taiwan dollars and the fraction is rounded off):

Exercise Price after Adjustment = Exercise Price before Adjustment x $\frac{\text{number of shares issued} + (\text{amount paid for each share} \times \text{number of new shares issued})}{\text{current market price per common share}}$ / (number of shares issued + number of new shares)

Note(1): Number of issued shares means the aggregate of the number of shares already issued by the Company (including the private placement shares), less the number of treasury shares that the Company has bought back but not yet cancelled or transferred.

Note(2): If the exercise price after adjustment exceeds the exercise price before adjustment, no adjustment shall be made.

Note(3): The current market price per common share shall be taken as the simple arithmetic average of the closing prices of the common shares per share of one (1), three (3) or five (5) trading days before the stock dividend record date, the pricing date, the effective date of merger or the effective date of stock split.

- b. If the Company distributes cash dividends for common shares after issuance of the options and such cash dividend per common share represents more than 1.5% of the current market price per common share, the prevailing exercise price shall be adjusted downward in accordance with the following formula (Computation up to decimal one digit of New Taiwan dollars and the fraction is rounded off):

Exercise Price after Adjustment = Exercise Price before Adjustment x (1 – cash dividend per common share / current market price per common share)

Note: The current market price per common share shall be taken as the simple arithmetic average of the closing prices of the common shares per share of one (1), three (3) or five (5) trading days before the announcement date of the book closure period for distribution of cash dividends.

- c. After issuance of the options, upon the occurrence of capital reduction (except for capital reduction for cancellation of treasury shares) of the Company which will cause the outstanding share capital of the Company to decrease, the exercise price shall be adjusted in accordance with the following formula (Computation up to decimal one digit of New Taiwan dollars and the fraction is rounded off):

Exercise Price after Adjustment =
Exercise Price before Adjustment x (Number of Shares Issued before Capital Reduction / Number of Shares Issued after Capital Reduction)

Note: Number of issued shares means the aggregate of the number of shares already issued by the Company, less the number of treasury shares that the Company has bought back but not yet cancelled or transferred.

- d. After issuance of the options, in the event that the Company issues any share capital via private placement, or the Company privately places any securities which are convertible into common shares of the Company, and where the issuance/placement, conversion or subscription price is less than the current market price, the exercise price shall be adjusted downward, not upward, in accordance with 7.a. hereof on the date when the Company delivers these private placement securities.

Note: The current market price per common share shall be taken as the simple arithmetic average of the closing prices of the common shares per share of one (1), three (3) or five (5) trading days before the Company delivers these private placement securities.

8. Procedure for Exercising Options

- a. Except for the book closure period for transfer of shares required under relevant laws and regulations and a period which starts from three (3) business days prior to the record date for distribution of stock, for declaration of cash dividend or for subscription of new shares for capital increase, the option holder may, in accordance with Section 5.b hereof, exercise

the right to purchase shares by submitting the written request (exercise form) to the Company's stock transfer agent.

- b. After the request is accepted by the Company's stock transfer agent, the option holder will be notified for payment at a designated bank. The option holder is unable to ask for a refund or withdraw request once the payment is made. If the option holder fails to make the payment within the designated period, it shall be deemed that the option holder waives his/her right.
- c. Upon confirmation of payment from the Company's stock transfer agent, the agent shall register the number of shares exercised in the shareholders records and, within five (5) business days, issue the shares via the TDCC system.
- d. The new common shares issued by the Company will be available for the Emerging Market trading on the day of delivery to the stock option holder. In an event where the new common shares issued by the Company become listed on the Taiwan Stock Exchange or the Taipei Exchange by law, the aforementioned shares will be listed for trading on the day of delivery to the stock option holder.

9. Rights and Obligations After Exercising Options

After an option holder has exercised his/her options, the common shares issued by the Company will bear the same rights and obligations as the Company's other common shares.

10. Other Important Terms and Conditions

- a. The terms and conditions of the Plan shall be approved the Board of Directors (in a meeting attended by at least two-thirds of all directors and approved by the majority of the attending directors) and become effective after the Company receives the regulatory approval. Any amendments shall be subject to the same approval process. The Board of Directors may amend the Plan to reflect the change to the applicable laws and regulations or change of circumstance and the amended Plan shall become effective after the Company receives the regulatory approval. If the Plan needs to be amended because of the regulator's request during its review process, the Chairman is authorized to amend the Plan and then submit the amended Plan to the Board of Directors for recognition before the Company grants any options. The Plan shall be submitted to the shareholders of the Company for approval within 12 months before or after the date the Plan is adopted.
- b. All times mentioned in the Plan are Taipei Taiwan time.
- c. For matters not specified herein, the option agreement entered into by the Company and each employee and the applicable laws and regulations shall govern.

TANVEX BIOPHARMA, INC.

Comparison Table of the Amendment to Procedures for Acquisition or Disposal of Assets

Article	After Amendment	Before Amendment	Remarks
1	To protect the rights and interests of shareholders and investors, and ensure public disclosure of information, the "Procedures for Acquisition or Disposition of Assets" (the "Procedures") are thus adopted by the Company <u>pursuant to Article 36-1 of the Securities and Exchange Act and the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</u>	To protect the rights and interests of shareholders and investors, and ensure public disclosure of information, the "Procedures for Acquisition or Disposition of Assets" (the "Procedures") are thus adopted by the Company.	To supplement related statutory basis.
3	Terms used in these Regulations are defined as follows: 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)	Terms used in these Regulations are defined as follows: 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)	To delete related definition to consist with the amendment to Article 5 of the Procedures.

Article	After Amendment	Before Amendment	Remarks
	<p>agreements.</p> <p>2.Assets acquired or disposed of in connection with mergers, spin-offs, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, spin-offs, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or shares acquired 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>3.Related party and subsidiary: As defined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.</p> <p>5.Date of occurrence: Refers to the date of contract signing, date of payment, date of</p>	<p>agreements.</p> <p>2.Assets acquired or disposed of in connection with mergers, spin-offs, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, spin-offs, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or shares acquired 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>3.Related party and subsidiary: As defined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>4.<u>Affiliated companies: Refers to parent companies and all its subsidiaries.</u></p> <p>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 equipment.</p>	

Article	After Amendment	Before Amendment	Remarks
	<p>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.</p> <p>6. Mainland China area investment: Refers to investments in 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 Mainland China area.</p> <p>7. "Most recent financial statement" Refers to the financial statement certified or audited by the certified public accountant in accordance with the Laws prior to the acquisition or disposal of the assets.</p>	<p>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.</p> <p>7. Mainland China area investment: Refers to investments in 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 Mainland China area.</p> <p>8. "Most recent financial statement" Refers to the financial statement certified or audited by the certified public accountant in accordance with the Laws prior to the acquisition or disposal of the</p>	

Article	After Amendment	Before Amendment	Remarks
		assets.	
5	<p>1.The total amount of real property not for business use shall not exceed 50% of the Company's paid-in capital.</p> <p>2.The total amount of investment in securities shall not exceed 300% of the Company's paid-in capital <u>in the most recent financial statements.</u></p> <p>3.The amount of investment in any single security shall not exceed 100% of the Company's paid-in capital <u>in the most recent financial statements.</u></p> <p><u>The limit for acquisition of real property or securities by the Company's subsidiary for non-operating purpose: same as the limit applicable to the Company.</u></p>	<p>1.The total amount of real property not for business use shall not exceed 50% of the Company's paid-in capital.</p> <p>2. The total amount of investment in securities <u>defined in Paragraph 1 of Article 2 which are not owned by affiliated companies (the "Securities")</u> shall not exceed <u>80%</u> of the Company's paid-in capital.</p> <p>3.The amount of investment in any single security <u>not owned by affiliated companies</u> shall not exceed <u>50%</u> of the Company's paid-in capital.</p>	<p>1.To reflect the changes in "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."</p> <p>2.To amend the limit.</p>
6	<p>1.Securities: The Company's acquisition or disposal of Securities with the amount of NT\$30 million or less shall be effective upon approval by the authorized Chairman of the Board; transactions with the amount of over NT\$30 million shall be approved by the resolution of the Board of Directors.</p> <p>2.Related party transactions: With respect to the acquisition</p>	<p>1.Securities: The Company's acquisition or disposal of Securities with the amount of NT\$30 million or less shall be effective upon approval by the authorized Chairman of the Board; transactions with the amount of over NT\$30 million shall be approved by the resolution of the Board of Directors.</p> <p>2.Related party transactions: With respect to the acquisition</p>	<p>1.To reflect the changes in "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."</p> <p>2.To adjust wording.</p> <p>3.To adjust the</p>

Article	After Amendment	Before Amendment	Remarks
	<p>or disposal of business-use equipment between the Company and its subsidiaries, the Company's Board of Directors may delegate the Chairman of the Board to decide such matters when the transaction is within the amount of 1% of the Company's total assets, and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p> <p>3. Derivatives trading: The Company engaging in derivatives trading shall authorize the relevant personnel to handle in accordance with Paragraph 7, Article 12 of the Procedures, and subsequently submit to the next board of directors meeting.</p> <p>4. <u>Membership or intangible assets: The acquisition or disposal of membership or intangible assets with the amount of less than 10% of the Company's paid-in capital in the most recent financial statements shall be submitted to the CEO for approval; transactions with the amount of 10% or more of the Company's paid-in capital in the most recent</u></p>	<p>or disposal of business-use equipment between the Company and its <u>parent or</u> subsidiaries, the Company's Board of Directors may delegate the Chairman of the Board to decide such matters when the transaction is within the amount of 1% of the Company's total assets, and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p> <p>3. Derivatives trading: The Company engaging in derivatives trading shall authorize the relevant personnel to handle in accordance with Paragraph 7, Article 12 of the Procedures, and subsequently submit to the next board of directors meeting.</p> <p>4. Others: The Company shall follow the internal control systems and procedures for authority delegated in decision-making. For transactions with the amount of NT\$30 million or less shall be effective upon approval by the authorized Chairman of the Board; transactions with the amount of over NT\$30 million shall be approved by the resolution of the Board of</p>	<p>authorization levels.</p>

Article	After Amendment	Before Amendment	Remarks
	<p><u>financial statements shall be approved by the Board of Directors, or by the authorized Chairman of the Board if falling short of time for prior approval; however the transaction shall be submitted to the latest Board of Directors for ratification.</u></p> <p>5. Others: The Company shall follow the internal control systems and procedures for authority delegated in decision-making. For transactions with the amount of NT\$30 million or less shall be effective upon approval by the authorized Chairman of the Board; transactions with the amount of over NT\$30 million shall be approved by the resolution of the Board of Directors. Any transaction as stipulated in Article 185 of the Company Act shall be approved by the shareholders meeting.</p> <p>When the transactions for the acquisition or disposal of assets are submitted to the Board of Directors for discussion, the board of directors shall take into full consideration of each independent director's opinions. If an independent director objects to or expresses</p>	<p>Directors. Any transaction as stipulated in Article 185 of the Company Act shall be approved by the shareholders meeting.</p> <p><u>For transactions which shall be submitted to the Board of Directors for approval pursuant to the Company's Procedures for Acquisition or Disposal of Assets or other laws, if any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to the Audit Committee.</u></p> <p>When the transactions for the acquisition or disposal of assets are submitted for discussion by the Board of Directors, the board of directors shall take into full consideration of each independent director's opinions and it shall be recorded in the minutes of the board of directors meeting.</p>	

Article	After Amendment	Before Amendment	Remarks
	<p>reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p><u>When the Company establishes the Audit Committee pursuant to relevant regulations, transactions of material assets or derivatives shall be approved by more than half of all Audit Committee members and submitted to the board of directors for resolution.</u></p> <p><u>If a matter is not approved by more than half of all Audit Committee members as required in the preceding paragraph, such matter could be approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board of directors meeting.</u></p> <p><u>The terms "all audit committee members" in paragraph 4 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</u></p>		
7	<p>1.Acquisition or disposition of Securities:</p> <p>(1) Procedures: Finance and Accounting Department shall</p>	<p>1.Acquisition or disposition of Securities:</p> <p>(1) Procedures: Finance and Accounting Department shall</p>	<p>To reflect the changes in "Regulations Governing the</p>

Article	After Amendment	Before Amendment	Remarks
	<p>analyze the reasons for acquisition or disposition of securities, transaction target, reference price, etc. for benefits analysis and potential risk evaluation in accordance with the Company's internal control systems and procedures for authority delegated in decision-making.</p> <p>(2) Method of price determination:</p> <p>(i) Price for securities purchased or sold in the centralized exchange market or OTC market shall be determined by the fair market price of the securities at the time of transaction.</p> <p>(ii) Price for securities not acquired or disposed in the centralized exchange market or OTC market shall be determined by its book value per share, profitability, development potentials, and fair market value at the time of transaction.</p> <p>(3) Reference of price: The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain in advance financial</p>	<p>analyze the reasons for acquisition or disposition of securities, transaction target, reference price, etc. for benefits analysis and potential risk evaluation in accordance with the Company's internal control systems and procedures for authority delegated in decision-making.</p> <p>(2) Method of price determination:</p> <p>(i) Price for securities purchased or sold in the centralized exchange market or OTC market shall be determined by the fair market price of the securities at the time of transaction.</p> <p>(ii) Price for securities not acquired or disposed in the centralized exchange market or OTC market shall be determined by its book value per share, profitability, development potentials, and fair market value at the time of transaction.</p> <p>(3) Reference of price: The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain in advance financial</p>	Acquisition and Disposal of Assets by Public Companies."

Article	After Amendment	Before Amendment	Remarks
	<p>statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price. If the dollar amount of the transaction reaches 20 percent 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 engaged certified public accountant needs to adopt experts' report, it shall be done in accordance with the provisions of Statement of Auditing Standards No. 20 published by the R.O.C. Accounting Research and Development Foundation (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.</p> <p><u>(4) Where the Company acquires or disposes of</u></p>	<p>statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price. If the dollar amount of the transaction reaches 20 percent 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 engaged certified public accountant needs to adopt experts' report, it shall be done in accordance with the provisions of Statement of Auditing Standards No. 20 published by the R.O.C. Accounting Research and Development Foundation (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 <u>competent authority of securities</u>.</p>	

Article	After Amendment	Before Amendment	Remarks
	<p><u>assets through court auction procedures, the evidentiary documentation issued by the court may replace the appraisal report or CPA opinion.</u></p> <p>2.Acquisition or disposition of real property or <u>equipment</u>:</p> <p>(1) Procedures: Finance and Accounting Department shall analyze the feasibility of acquisition or disposition of real property or <u>equipment</u>, indicate the reasons for such acquisition or disposition, the target, transactional party, transfer price, payment and collection terms and reference price, etc., in accordance with the Company's internal regulations, to responsible levels and submit to the Company's internal control systems and procedures for authority delegated in decision-making.</p> <p>(2) Method of price determination: Acquisition or disposition of real property or <u>equipment</u> shall be conducted with price comparison, price negotiation, invitation to tender or other methods.</p> <p>(3) Reference of price: When the transaction amount of</p>	<p>2.Acquisition or disposition of real property or <u>other assets</u>:</p> <p>(1) Procedures: Finance and Accounting Department shall analyze the feasibility of acquisition or disposition of real property or <u>other assets</u>, indicate the reasons for such acquisition or disposition, the target, transactional party, transfer price, payment and collection terms and reference price, etc., in accordance with the Company's internal regulations, to responsible levels and submit to the Company's internal control systems and procedures for authority delegated in decision-making.</p> <p>(2) Method of price determination: Acquisition or disposition of real property or <u>other assets</u> shall be conducted with price comparison, price negotiation, invitation to tender or other methods.</p> <p>(3) Reference of price: When the transaction amount of</p>	

Article	After Amendment	Before Amendment	Remarks
	<p>acquisition or disposition of real property or equipment reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting 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 for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(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.</p> <p>(ii) Where the transaction amount is NT\$1 billion or more, appraisals from</p>	<p>acquisition or disposition of real property or equipment <u>which reaches the amount that public announcement and regulatory filing are required</u> reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting 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 for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(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</p>	

Article	After Amendment	Before Amendment	Remarks
	<p>two or more professional appraisers shall be obtained.</p> <p>(iii) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, except that, in the event of acquisition, the appraisal results for acquired assets are higher than actual transaction amounts, or, in the event of disposition, the appraisal results for disposed assets are lower than actual transaction amounts, 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 R.O.C. Accounting Research and Development Foundation (the "ARDF") and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>A. The discrepancy</p>	<p>transaction.</p> <p>(ii) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(iii) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, except that, in the event of acquisition, the appraisal results for acquired assets are higher than actual transaction amounts, or, in the event of disposition, the appraisal results for disposed assets are lower than actual transaction amounts, 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 R.O.C. Accounting Research and Development Foundation (the "ARDF") and render a specific opinion regarding the reason for</p>	

Article	After Amendment	Before Amendment	Remarks
	<p>between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(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.</p> <p>3. <u>Membership or intangible assets:</u></p> <p>(1) <u>Transaction procedures:</u></p> <p><u>Responsible department shall refer to an expert valuation report or the fair market value to determine the terms and price and produce an analysis report</u></p>	<p>the discrepancy and the appropriateness of the transaction price:</p> <p>A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(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.</p>	

Article	After Amendment	Before Amendment	Remarks
	<p><u>indicating the reasons for such acquisition or disposition, the target, counterparty, purchase price, payment terms and reference price, etc., then conduct the transaction in accordance with the Company's internal control system and procedures for delegation of authority in decision-making.</u></p> <p><u>(2) Reference of price:</u></p> <p><u>(i) When the transaction amount of acquisition or disposition of membership or an intangible asset reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a government agency, shall 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. The engaged certified public accountant shall follow the provisions of Statement of Auditing</u></p>		

Article	After Amendment	Before Amendment	Remarks
	<p><u>Standards No. 20 published by the R.O.C. Accounting Research and Development Foundation (the "ARDF")</u></p> <p>(ii) <u>Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may replace the appraisal report or CPA opinion.</u></p>		
9	<p>When the Company acquires real property from or disposes real property to a related party, or acquiring from or disposing to a related party the assets other than real property, in which the actual transaction amount reaches 20 percent of the Company's paid-in capital, or 10 percent of the Company's total assets, or NT\$300 million, <u>except in trading of government bonds or bonds under repurchase and resale agreements, or subscription to or repurchase of domestic money market funds,</u> the following information should be <u>first approved by more than half of the Audit Committee members and</u> submitted to Board of Directors <u>for</u></p>	<p>When the Company acquires real property from or disposes real property to a related party, or acquiring from or disposing to a related party the assets other than real property, in which the actual transaction amount reaches 20 percent of the Company's paid-in capital, or 10 percent of the Company's total assets, or NT\$300 million, the following information should be submitted to Board of Directors <u>and the Audit Committee for ratification</u> before executing the deal contracts and making payments:</p> <p>1.The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>2.The reason for choosing the</p>	To reflect the changes in "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."

Article	After Amendment	Before Amendment	Remarks
	<p><u>resolution</u> before executing the deal contracts and making payments:</p> <ol style="list-style-type: none"> 1.The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2.The reason for choosing the related party as a trading counterparty. 3.In the case of acquisition of real property from a related party, relevant information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 10 and Article 11. 4.The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party. 5.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. 6.The professional appraiser's appraisal report or the certified public accountant's 	<p>related party as a trading counterparty.</p> <ol style="list-style-type: none"> 3.In the case of acquisition of real property from a related party, relevant information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 10 and Article 11. 4.The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party. 5.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. 6.The professional appraiser's appraisal report or the certified public accountant's opinion obtained in accordance with Article 7. 7.Restrictive covenants and other important stipulations associated with the transaction. <p>Calculation of the aforementioned transaction</p>	

Article	After Amendment	Before Amendment	Remarks
	<p>opinion obtained in accordance with Article 10.</p> <p>7.Restrictive covenants and other important stipulations associated with the transaction.</p> <p>Calculation of the aforementioned transaction amount should be conducted pursuant to paragraph 2 of Article 14. "Within the preceding year" refers to the year preceding the date of occurrence of the current transaction. Items duly submitted for approval by resolution passed by the Audit Committee and the Board of Directors need not be counted into the transaction amount.</p> <p><u>When the transactions submitted to the Board of Directors for discussion in accordance with the preceding paragraph, the board of directors shall take into full consideration of each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</u></p>	<p>amount should be conducted pursuant to paragraph 2 of Article 14. "Within the preceding year" refers to the year preceding the date of occurrence of the current transaction. Items duly submitted for approval by resolution passed by the Audit Committee and the Board of Directors need not be counted into the transaction amount.</p>	
11	<p>1.(Omitted)</p> <p>2.Where acquiring real property from a related party and the</p>	<p>1.(Omitted)</p> <p>2.Where acquiring real property from a related party and the</p>	To reflect the changes in "Regulations

Article	After Amendment	Before Amendment	Remarks
	<p>results of appraisals conducted in accordance with Article 10 are uniformly lower than the transaction price and none of the circumstances stipulated in paragraph 1 of this Article exists, the following steps shall be taken:</p> <p>(1) A special reserve shall be set aside in accordance with paragraph 1, Article 41 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in <u>the Company</u>, <u>a special reserve shall also be set aside</u> pro rata in a proportion consistent with the share of public company's equity stake in the <u>Company</u>. <u>The</u> special reserve <u>set aside</u> under the preceding regulation may not <u>be utilized</u> until <u>the Company</u> 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</p>	<p>results of appraisals conducted in accordance with Article 10 are uniformly lower than the transaction price and none of the circumstances stipulated in paragraph 1 of this Article exists, the following steps shall be taken:</p> <p>(1) A special reserve shall be set aside in accordance with paragraph 1, Article 41 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in <u>another company</u>, <u>then the special reserve called for under Article 41, paragraph 1 of the Act shall be set aside</u> pro rata in a proportion consistent with the share of public company's equity stake in the <u>other company</u>. <u>A company that has set aside a special reserve</u> under the preceding regulation may not <u>utilize the special reserve</u> until <u>it</u> has recognized a loss on decline in market value of the assets it purchased at a premium, or</p>	Governing the Acquisition and Disposal of Assets by Public Companies."

Article	After Amendment	Before Amendment	Remarks
	<p>quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the competent authority has given its consent.</p> <p>(2) The Audit Committee shall comply with Article 218 of the Company Act.</p> <p>(3) Actions taken pursuant to subparagraphs 1 and 2 shall be reported to shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p><u>When the Company acquires real property from a related party, it shall also comply with the subparagraph 2 of this Article if there is other evidence indicating that the acquisition was not an arms length transaction.</u></p>	<p>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 competent authority has given its consent.</p> <p>(2) The Audit Committee shall comply with Article 218 of the Company Act.</p> <p>(3) Actions taken pursuant to subparagraphs 1 and 2 shall be reported to shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p>	
13	<p>1.The Company conducting a merger, spin-off, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a certified public accountant, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio,</p>	<p>1.The Company conducting a merger, spin-off, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a certified public accountant, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio,</p>	<p>To reflect the changes in "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."</p>

Article	After Amendment	Before Amendment	Remarks
	<p>acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. <u>But where the Company conducting a merger with its subsidiary whose hundred percent of the total number of the issued shares or the total capital is directly or indirectly held by the Company, or in case of a merger between the Company's subsidiaries whose hundred percent of the total number of the issued shares or the total capital is directly or indirectly held by the Company, the Company may be exempted from obtaining such expert opinion on the reasonableness.</u></p> <p>2. The Company participating in a merger, spin-off, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, spin-off, or acquisition prior to the shareholders meeting and include it along with the expert opinion when</p>	<p>acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage.</p> <p>2. The Company participating in a merger, spin-off, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, spin-off, or acquisition prior to the shareholders meeting and include it along with the expert opinion when</p>	

Article	After Amendment	Before Amendment	Remarks
	<p>sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, spin-off, or acquisition. Provided, where a provision of another act exempts the Company from convening a shareholders meeting to approve the merger, spin-off, or acquisition, this restriction shall not apply. Where the shareholders meeting of <u>any of the companies participating in a merger, spin-off, acquisition</u> fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.</p> <p>3.A company participating in a merger, spin-off, 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, spin-off, or acquisition, unless another</p>	<p>sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, spin-off, or acquisition. Provided, where a provision of another act exempts the Company from convening a shareholders meeting to approve the merger, spin-off, or acquisition, this restriction shall not apply. Where the shareholders meeting of the <u>Company</u> fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.</p> <p>3.A company participating in a merger, spin-off, 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, spin-off, or acquisition, unless another</p>	

Article	After Amendment	Before Amendment	Remarks
	<p>act provides otherwise or the <u>Financial Supervisory Commission</u> is notified in advance of extraordinary circumstances and grants consent. A company participating in transfer of shares shall convene a board of directors meeting on the day of the transaction unless another act provides otherwise or the <u>Financial Supervisory Commission</u> is notified in advance of extraordinary circumstances and grants consent.</p> <p>4. Every person participating in or privy to the plan for merger, spin-off, 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, spin-off, acquisition, or transfer of shares.</p> <p>5. When participating in a merger, spin-off, acquisition, or transfer of another company's shares, a</p>	<p>act provides otherwise or the <u>Securities and Futures Bureau</u> is notified in advance of extraordinary circumstances and grants consent. A company participating in transfer of shares shall convene a board of directors meeting on the day of the transaction unless another act provides otherwise or the <u>Securities and Futures Bureau</u> is notified in advance of extraordinary circumstances and grants consent.</p> <p>4. Every person participating in or privy to the plan for merger, spin-off, 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, spin-off, acquisition, or transfer of shares.</p> <p>5. When participating in a merger, spin-off, acquisition, or transfer of another company's shares, a</p>	

Article	After Amendment	Before Amendment	Remarks
	<p>company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:</p> <p>(1) Basic identification data for personnel: including the job 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, spin-off, acquisition, or transfer of another company's shares prior to disclosure of the information.</p> <p>(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.</p> <p>(3) Important documents and minutes: including merger, spin-off, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of</p>	<p>company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:</p> <p>(1) Basic identification data for personnel: including the job 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, spin-off, acquisition, or transfer of another company's shares prior to disclosure of the information.</p> <p>(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.</p> <p>(3) Important documents and minutes: including merger, spin-off, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of</p>	

Article	After Amendment	Before Amendment	Remarks
	<p>board of directors meetings.</p> <p>(4) When participating in a merger, spin-off, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days commencing immediately from the date of passage of a resolution by the board of directors, report in the prescribed format and via the Internet-based information system the <u>basic identification data of the above-mentioned personnel and dates of material events</u> to the FSC for recordation.</p> <p>Where any of the companies participating in a merger, spin-off, acquisition, or assumption of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the preceding provisions.</p> <p>6. <u>When participating in a merger, spin-off, acquisition, or assumption</u></p>	<p>board of directors meetings.</p> <p>(4) When participating in a merger, spin-off, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days commencing immediately from the date of passage of a resolution by the board of directors, report in the prescribed format and via the Internet-based information system the <u>information set out in subparagraphs 1 and 2 of this Article</u> to the FSC for recordation.</p> <p>6. <u>A</u> company may not arbitrarily alter the share exchange ratio or acquisition price unless</p>	

Article	After Amendment	Before Amendment	Remarks
	<p><u>of another company's shares, the</u> Company 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, spin-off, acquisition, or transfer of shares:</p> <p>(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.</p> <p>(2) An action, such as a disposal of major assets, that affects the company's financial operations.</p> <p>(3) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.</p> <p>(4) An adjustment where any of the companies participating in the merger, spin-off, acquisition, or transfer of shares from another company, buys back treasury stock.</p>	<p>under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, spin-off, acquisition, or transfer of shares:</p> <p>(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.</p> <p>(2) An action, such as a disposal of major assets, that affects the company's financial operations.</p> <p>(3) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.</p> <p>(4) An adjustment where any of the companies participating in the merger, spin-off, acquisition, or transfer of shares from another company, buys back treasury stock.</p> <p>(5) An increase or decrease in the number of entities or companies participating in the merger, spin-off, acquisition, or transfer of</p>	

Article	After Amendment	Before Amendment	Remarks
	<p>(5) An increase or decrease in the number of entities or companies participating in the merger, spin-off, acquisition, or transfer of shares.</p> <p>(6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.</p> <p>7.(Omitted)</p> <p>8.After public disclosure of the information, if the Company participating in the merger, spin-off, acquisition, or share transfer intends further to carry out a merger, spin-off, acquisition, or share transfer with another company, <u>each of the participating companies</u> shall carry out anew the procedures or legal actions that had originally been completed toward the merger, spin-off, 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 company may be exempted from calling another shareholders meeting to</p>	<p>shares.</p> <p>(6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.</p> <p>7.(Omitted)</p> <p>8.After public disclosure of the information, if the Company participating in the merger, spin-off, acquisition, or share transfer intends further to carry out a merger, spin-off, acquisition, or share transfer with another company, <u>it</u> shall carry out anew the procedures or legal actions that had originally been completed toward the merger, spin-off, 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 company may be exempted from calling another shareholders meeting to resolve on the matter anew.</p>	

Article	After Amendment	Before Amendment	Remarks
	<p>resolve on the matter anew.</p> <p>9. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by paragraphs 3 to <u>4</u> and 8 of this Article.</p>	<p>9. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by paragraphs 3 to <u>5</u> and 8 of this Article.</p>	
14	<p>1. Under any of the following circumstances, a company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>(1) Acquired or disposed real property from a related party, or acquiring or disposing assets other than real property from a related party in which transaction amount reaches 20 percent of the company's paid-in capital, or 10 percent of the company's total assets, or NT\$300 million. However, trading of government bonds and trading of bonds under</p>	<p>1. Under any of the following circumstances, a company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>(1) Acquired or disposed real property from a related party, or acquiring or disposing assets other than real property from a related party in which transaction amount reaches 20 percent of the company's paid-in capital, or 10 percent of the company's total assets, or NT\$300 million. However, trading of government bonds and trading of bonds under</p>	<p>To reflect the changes in "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."</p>

Article	After Amendment	Before Amendment	Remarks
	<p>repurchase / resale agreements, subscription <u>to</u> or <u>repurchase</u> of money market funds <u>issued by domestic securities investment trust enterprises</u> shall not apply.</p> <p>(2) Merger, spin-off, acquisition, or transfer of shares.</p> <p>(3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the Procedures.</p> <p><u>(4) Acquiring or disposing business-use equipment with a counterparty other than a related party, and the transaction amount reaches any of the following amount:</u></p> <p>(i) <u>For a public company with paid-in capital below NT\$10 billion, the transaction amount is more than NT\$500 million.</u></p> <p>(ii) <u>For a public company with paid-in capital over NT\$10 billion, the transaction amount is more than NT\$1 billion.</u></p> <p>(iii) <u>Where a public company in the business of construction</u></p>	<p>repurchase / resale agreements, subscription or <u>redemption</u> of <u>domestic</u> money market funds shall not apply.</p> <p>(2) Merger, spin-off, acquisition, or transfer of shares.</p> <p>(3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the Procedures.</p>	

Article	After Amendment	Before Amendment	Remarks
	<p><u>conducting acquisition or disposal of real property for construction use with a counterparty other than a related party, the transaction amount is more than NT\$500 million.</u></p> <p>(iv) <u>Where a land is acquired under an arrangement for commissioned construction on self-owned land, commissioned construction on rental land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, the amount the Company expects to invest in the transaction in an amount of more than NT\$500 million.</u></p> <p>(5) <u>Where a public company in the business of construction conducting acquisition or disposal of real property for construction use with a counterparty other than a</u></p>		

Article	After Amendment	Before Amendment	Remarks
	<p><u>related party, and the transaction amount is more than NT\$500 million.</u></p> <p>(6) <u>Where a land is acquired under an arrangement for commissioned construction on self-owned land, commissioned construction on rental land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction in an amount of more than NT\$500 million.</u></p> <p>(7) Where an asset transaction other than any of those referred to in the preceding <u>six</u> subparagraphs, or a disposal of receivables by a financial institution, or engaging in investment in 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) <u>Where the Company is in professional investment</u></p>	<p>(4) Where an asset transaction other than any of those referred to in the preceding <u>three</u> subparagraphs, or a disposal of receivables by a financial institution, or engage in investment in 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>	

Article	After Amendment	Before Amendment	Remarks
	<p><u>business, securities trading on foreign or domestic securities exchanges or over-the-counter markets, subscription to ordinary corporate bonds and other non-equity linked bank notes issued in the domestic primary market, or for underwriting business or as an advisor of emerging stocks, recommendation of securities subscription in accordance with provisions set forth by the Taipei Exchange.</u></p> <p>(3) Trading of bonds under repurchase / resale agreements or subscription <u>to or repurchase</u> of money market funds <u>issued by domestic securities investment trust enterprises.</u></p>	<p>(2) Trading of bonds under repurchase / resale agreements or subscription or <u>redemption</u> of domestic money market funds.</p> <p>(3) <u>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 is less than NT\$500 million.</u></p> <p>(4) <u>Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing</u></p>	

Article	After Amendment	Before Amendment	Remarks
	<p>2.(Omitted)</p> <p>3.(Omitted)</p> <p>4.The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any <u>of the Company's</u> subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the <u>Financial Supervisory Commission</u> by the 10th day of each month.</p> <p>5.When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety <u>within two days from the date of knowledge.</u></p> <p>6.The Company acquiring or</p>	<p><u>units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount is less than NT\$500 million (based on the company's expected input amount).</u></p> <p>2.(Omitted)</p> <p>3.(Omitted)</p> <p>4.The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the <u>Securities and Futures Bureau</u> by the 10th day of each month.</p> <p>5.When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety.</p> <p>6.The Company acquiring or</p>	

Article	After Amendment	Before Amendment	Remarks
	<p>disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and certified public accountant, attorney, and securities underwriter opinions at the company headquarters, where they shall be retained for 5 years except where another act provides otherwise.</p> <p>7. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported, a public report of relevant information shall be made on the information reporting website designated by the <u>Financial Supervisory Commission</u> within 2 days commencing immediately from the date of occurrence of the event:</p> <p>(1) Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>(2) The merger, spin-off, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>(3) Change to the originally publicly announced and reported information.</p>	<p>disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and certified public accountant, attorney, and securities underwriter opinions at the company headquarters, where they shall be retained for 5 years except where another act provides otherwise.</p> <p>7. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported, a public report of relevant information shall be made on the information reporting website designated by the <u>Securities and Futures Bureau</u> within 2 days commencing immediately from the date of occurrence of the event:</p> <p>(1) Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>(2) The merger, spin-off, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>(3) Change to the originally publicly announced and reported information.</p>	

Article	After Amendment	Before Amendment	Remarks
15	<p>1.Subsidiaries shall adopt and act in accordance with procedures for acquisition or disposal of assets.</p> <p>2.When the assets acquired or disposed by a non-public subsidiary reach the amount that a public announcement and regulatory filing are required, the Company should also make the required public announcement and regulatory filing. The standard of "reaching 20% of paid-in capital or 10% of the total assets" for the subsidiary making announcement and filing should be calculated based on the Company's paid-in capital or total assets.</p> <p>3.Subsidiaries shall self-evaluate whether their procedures for acquisition or disposal of assets are in accordance with relevant laws and regulations, and whether their acquisition or disposal of assets are in accordance with provisions prescribed in the procedures they adopted.</p> <p>4.Internal audit personnel shall check the subsidiaries' self-evaluation reports, and other relevant matters.</p>	<p>1.Subsidiaries shall adopt and act in accordance with procedures for acquisition or disposal of assets.</p> <p>2.When the assets acquired or disposed by a non-public subsidiary reach the amount that a public announcement and regulatory filing are required, the Company should also make the required public announcement and regulatory filing. The standard of "reaching 20% of paid-in capital or 10% of the total assets" for the subsidiary making announcement and filing should be calculated based on the Company's paid-in capital or total assets.</p> <p>3.Subsidiaries shall self-<u>examine</u> whether their procedures for acquisition or disposal of assets are in accordance with relevant laws and regulations, and whether their acquisition or disposal of assets are in accordance with provisions prescribed in the procedures they adopted.</p> <p>4.Internal audit personnel shall check the subsidiaries' self-<u>examination</u> reports, and other relevant matters.</p>	To reflect the changes in "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."
17	<p>1.The Procedures and any amendment hereto shall be effective upon approval by the</p>	<p>1.The Procedures and any amendment hereto shall be effective upon approval by the</p>	<p>1.To reflect the changes in "Regulations</p>

Article	After Amendment	Before Amendment	Remarks
	<p>resolution of the Board of Directors and the Audit Committee, subject to the ordinary resolution in the general meeting.</p> <p><u>2. When the Company's Procedures for Acquisition or Disposal of Assets are submitted to the board of directors for discussion pursuant to relevant rules, the board of directors shall take into full consideration of each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</u></p> <p><u>3. When the Company establishes the Audit Committee pursuant to relevant regulations, adoption and amendment of the Procedures for Acquisition or Disposal of Assets shall be approved by more than half of all Audit Committee members and submitted to the board of directors for resolution. If approval of more than half of all audit committee members is not obtained, the adoption or amendment</u></p>	<p>resolution of the Board of Directors and the Audit Committee, subject to the ordinary resolution in the general meeting. <u>If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to the Audit Committee and general meeting for discussion. After the adoption of the Procedures, if any law or regulations amends, the Procedures shall be amended accordingly, and approved by resolutions of the Audit Committee, Board of Directors, and the shareholders meeting in accordance with relevant laws and regulations.</u></p> <p>2. For matters not prescribed in the Procedures, related regulations and other internal rules of the Company shall govern.</p>	<p>Governing the Acquisition and Disposal of Assets by Public Companies."</p> <p>2. To adjust wording.</p>

Article	After Amendment	Before Amendment	Remarks
	<p><u>of the Procedures may be approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board of directors meeting.</u></p> <p><u>The terms "all audit committee members" and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</u></p> <p>4. For matters not prescribed in the Procedures, related regulations and other internal rules of the Company shall govern.</p>		

Tanvex BioPharma, Inc.

Proposal to Release the Non-Competition Prohibition for Board Directors

Board Director's Name	Concurrent Position and Company Served
Peng Lin Investment Co., Ltd. Representative: Chen, Chi-Chuan	<ul style="list-style-type: none"> • Representative of corporate Board director, Tanvex Biologics Corporation. • Representative of Corporate Board Director, OBI Pharma, Inc. • Representative of corporate Board director, Mithra Biotechnology Inc. • Representative of corporate Board director, Mass Solutions Technology Co., Ltd. • Representative of corporate Board director, Amaran Biotechnology, Inc. • Representative of corporate Board director, Cho Pharma Inc. • Representative of corporate Board director, Diamond Biofund Inc. • Representative of corporate Board director, Diamond Capital Inc. • Representative of corporate Board director, Xinyao Biologics Investment Inc. • Representative of corporate Board director of Advanced Lithium Electrochemistry • Representative of corporate Board director, Unicon Vision Inc. • Representative of corporate Board director, Empire Vision Inc. • Representative of corporate Board director, Brogent Technology Inc. • Representative of corporate Board director, Mega Growth Investment Inc. • Representative of corporate Board director, Cotton Field Organic Co., Ltd. • Representative of corporate Board director, RENBIO, Inc. • Representative of corporate Board director, RenBio Holdings Limited • Board Director of Search MediaBiologics • Supervisor, Kang Sheng Recruiting Co., Ltd. • Supervisor, Sunny Friend Environmental Technology Co., Ltd. • Representative of corporate supervisor, Ruenfu New Life • Representative of corporate supervisor, Gogoro Taiwan Limited • Representative of corporate supervisor, RT Mart International Limited • Representative of corporate supervisor, Ruentex Industries Limited • Representative of corporate supervisor, Ruen Chen Investment Holding Co., Ltd.
Peng Lin Investment Co., Ltd. Representative: Cho, Lung-Yeh	<ul style="list-style-type: none"> • Executive Assistant to CEO, Ruentex Group • Representative of Corporate Board Director, OBI Pharma, Inc. • Representative of Corporate Board Director, Renbio, Inc. • Representative of Corporate Board Director, RenBio Holdings Limited • Representative of Corporate Board Director, TaiMed Biologics Inc. • Supervisor, Ruenhui Biopharmaceuticals Inc.

Board Director's Name	Concurrent Position and Company Served
Allen Chao and Lee Hwa Chao Family Trust Representative: Allen Chao	<ul style="list-style-type: none"> • Chairman, Tanvex Biologics Corp. • Chairman, Tanvex Biologics Inc. • Chairman, Anson BioPharma Inc. • Board Director, Impax Lab., Inc. • Board Director, Arbor Pharmaceuticals • Board Director, Mithra Biotechnology Inc. • Trust Director, Taipei Medical University
Hsia Family Trust Representative: David Hsia	<ul style="list-style-type: none"> • Board Director, Tanvex Biologics, Inc. • Member of Advisor Committee, Allianz Pharmascience Ltd.
Delos Capital Fund, LP Representative: Chen, Lin-Cheng	<ul style="list-style-type: none"> • Managing Partner, Delos Capital Fund, LP • Board Director, Apama Medical Inc. • Board Director, Atia Medical Inc. • Board Director, Allegra Therapeutics GmbH • Board Director, BAROnova, Inc. • Board Director, Curatia Medical, Inc. • Board Director, Syndax Pharmaceuticals, Inc.
Yen, Yun	<ul style="list-style-type: none"> • President and Professor, the Ph. D. Program for Cancer Biology and Drug Discovery, Taipei Medical University • Chairman, Sino American Cancer Foundation • Chief Science Advisor, Stembios • Chief Science Advisor, Fulgent • Member of Consulting committee, Allianz Pharmascience Ltd.
Tsai, Jin-Pau (Independent Director)	<ul style="list-style-type: none"> • Chairman, Jia Guang Development Industry Co., Ltd. • Chairman, Wanshida Development, Ltd. • Board Director, Global Life Insurance Co.Ltd. • Board Director, Oriental Recreation and Development Corp. • Board Director, Tuntex Incorporation • Board Director, FCB Leasing Co., Ltd • Board Director, FCB International Leasing Co., Ltd. • Independent Board Director, FCB International Leasing (Xiamen) Co., Ltd. • Independent Director, Sunny Friend Environmental Technology Co., Ltd. • Independent Board Director, Zenitron Corporation • Independent Board Director, KD Holding Corporation
Chang, Lee-Chiou (Independent Director)	<ul style="list-style-type: none"> • Chairman, Director, Panion & BF Biotech Inc. • Chairman, Director, FOCI Fiber Optic Communications, Inc • CEO, Sun Ten Group • Board Director, Sun Ten Natureceutica. • Independent Board Director, Compensations Committee member, Taya

Board Director's Name	Concurrent Position and Company Served
	<p>Telecom Cable Co.Ltd.</p> <ul style="list-style-type: none"> • Independent Board Director, Audit Committee member, Acme Electronics Corporation • Independent Board Director, Compensations Committee member, T3EX Global Holding Inc. • Chief Consultant, Yuanta Securities Co., Ltd.
Shih, Chuan (Independent Director)	<ul style="list-style-type: none"> • Special Researcher and Director, Institute of Biotechnology and Pharmaceutical Research (IBPR), National Health Research Institutes (NHRI) • Member of Science Consulting Committee, • Crown Bioscience Inc. • Professor, Chemistry Department, National Chung Hsing University

Comparison Table of the Articles of Association of TANVEX BIOPHARMA, INC.

Articles No.	Amended and Restated Articles of Association (Proposed Revision)	Amended and Restated Articles of Association (Original)	Explanations
140	<p>140. For so long as the Shares of the Company are registered in the Emerging Market and/or listed in the TPEx or TSE, subject to the Applicable Listing Rules, within fifteen (15) days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its litigation or non-litigation agent appointed pursuant to the Applicable Listing Rules, the Board of the Directors shall resolve to recommend to the Shareholders whether to accept or object to the tender offer and make a public announcement of the following:</p> <p>(a) The types and amount of the Shares held by the Directors and the Shareholders holding more than ten percent (10%) of the outstanding Shares held in its own name or in the name of other</p>	<p>140. For so long as the Shares of the Company are registered in the Emerging Market and/or listed in the TPEx or TSE, subject to the Applicable Listing Rules, within seven (7) days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its litigation or non-litigation agent appointed pursuant to the Applicable Listing Rules, the Board of the Directors shall resolve to recommend to the Shareholders whether to accept or object to the tender offer and make a public announcement of the following:</p> <p>(a) The types and amount of the Shares held by the Directors and the Shareholders holding more than ten percent (10%) of the outstanding Shares held in its own name or in the name of other persons.</p> <p>(b) Recommendations to the Shareholders on the tender offer, which</p>	Revised per Article 14 of "Regulations Governing Public Tender Offers for Securities of Public Companies"

Articles No.	Amended and Restated Articles of Association (Proposed Revision)	Amended and Restated Articles of Association (Original)	Explanations
	<p>persons.</p> <p>(b) <u>The recommendation based on investigation into the identify and financial position of the tender offeror, fairness of the tender offer conditions, and validity of funding sources to the Shareholders, where in the opinions and reasons of every consenting and objecting Director(s) shall be indicated;</u> Recommendations to the Shareholders on the tender offer, which shall set forth the names of the Directors who abstain or object to the tender offer and the reason(s) therefor.</p> <p>(c) Whether there is any material change in</p>	<p>shall set forth the names of the Directors who abstain or object to the tender offer and the reason(s) therefor.</p> <p>(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</p> <p>(d) The types, numbers and amount of the shares of the tender offeror or its affiliates held by the Directors and the Shareholders holding more than ten percent (10%) of the outstanding Shares held in its own name or in the name of other persons.</p>	

Articles No.	Amended and Restated Articles of Association (Proposed Revision)	Amended and Restated Articles of Association (Original)	Explanations
	<p>the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any.</p> <p>(d) The types, numbers and amount of the shares of the tender offeror or its affiliates held by the Directors and the Shareholders holding more than ten percent (10%) of the outstanding Shares held in its own name or in the name of other persons.</p>		

IV. Appendices

Tanvex BioPharma, Inc.
(the “Company”)

Rules of Procedure for Shareholders’ Meeting
(the “Rules”)

Article 1 Purpose and Legal Foundation

To establish a strong governance system and sound supervisory capabilities for this Company’s shareholders’ meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Company Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2 Scope of Application

The rules of procedure for this Company’s shareholders meetings, except as otherwise provided by law, regulation, or the Second Amended and Restated Memorandum and Articles of Association of the Company, shall be as provided in these Rules.

Article 3 Convening shareholders’ meetings and shareholders’ meeting notices

Unless otherwise provided by law or regulation, this Company’s shareholders meetings shall be convened by the board of directors.

This Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) no later than 30 days prior to the scheduled meeting date of a regular shareholders meeting or no later than 15 days prior to the scheduled meeting date of a special shareholders meeting. This Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS no later than 21 days prior to the scheduled meeting date of the regular shareholders meeting or no later than 15 days prior to the scheduled meeting date of the special shareholders meeting. In addition, no later than 15 days prior to the scheduled meeting date of the shareholders meeting, this Company shall also prepare the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. The meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the Articles of Association of the Company, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers and Second Amended and Restated Memorandum & Articles of

Association shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

A shareholder holding 1 percent or more of the total number of issued shares may submit to this Company 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.

Prior to the book closure date before the meeting date of a regular shareholders meeting, this Company shall publicly announce that it will accept 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.

The number of words of a proposal to be submitted by a shareholder shall be limited to not more than 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder submitting the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date of delivering the notice of a shareholders meeting, this Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4 Proxy and Authorization

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Company and stating the scope of the proxy's authorization.

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 Company before 5 days prior to the date of the shareholders meeting. When duplicate proxy forms are delivered, the first one received by this company shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or by way of electronic transmission, a written notice of proxy cancellation shall be submitted to this Company before 2 business days prior to the meeting date. If the cancellation notice is submitted after that time, voting powers exercised at the meeting by the proxy shall prevail.

Article 5 Principles determining the time and place of a shareholders meeting

The venue for a shareholders meeting shall be a place within the territory of the Republic of China and easily accessible to shareholders and suitable for a shareholders meeting unless otherwise approved by Taipei Exchange according to the Second Amended and Restated Memorandum and Articles of Association of this company. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6 Preparation of documents such as the attendance book

This Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

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 shall be assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Company may not arbitrarily require additional documents beyond those showing eligibility for attending the shareholders meeting. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. This Company 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 or supervisors, pre-printed ballots shall also be furnished.

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 The chair and non-voting participants of a shareholders meeting

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 on his/her behalf or, if there are no managing directors, one of the directors shall be appointed to act on his/her behalf. 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 the chairperson.

If a managing director or a director serves as the chairperson under the preceding paragraph, such 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 the chairperson.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the shareholders meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When

there are two or more such convening parties, they shall mutually select a chairperson from among themselves.

This Company may appoint 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

This Company, 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.

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 Quorum

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 by way of electronic transmission.

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

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.

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

Article 10 Discussion of proposals

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

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.

The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including

extraordinary motions), except by a resolution of the shareholders meeting. If the chairperson 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 chairperson in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

Article 11 Shareholder speech

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 chairperson.

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 chairperson, 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 chairperson may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairperson and the shareholder; the chairperson shall stop any violation.

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.

After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.

Article 12 Calculation of voting shares and recusal system

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

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.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, or unless otherwise specified in the Second Amended and Restated Memorandum and Articles of Association, 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 Resolution, Vote Monitoring and Counting

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.

When this Company holds a Shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or by way of electronic transmission. When voting rights are exercised by correspondence or by way of electronic transmission, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or by way of electronic transmission will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or by way of electronic transmission under the preceding paragraph shall deliver a written declaration of intent to this Company before 2 days prior to the date of the shareholders meeting. When duplicate declarations of intent are delivered, the first one received shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or by way of electronic transmission, 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 Company, by the same means by which the voting rights were exercised, before 2 business days prior to the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or by way of electronic transmission shall prevail. When a shareholder has exercised voting rights both by correspondence or by way of electronic transmission and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Company's Articles of Association, the adoption of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chairperson or a person designated by the chairperson shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chairperson 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.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairperson, provided that all monitoring personnel shall be shareholders of this Company.

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 make a record of the vote.

Article 14 Election of directors and supervisors

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

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 chairperson 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.

This Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairperson'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 Company.

Article 16 Public disclosure

On the day of a shareholders meeting, this Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Company (or Taipei Exchange) regulations, this Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 Maintaining order at the meeting place

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chairperson may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

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 Company, the chairperson may prevent the shareholder from so doing.

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

Article 18 Recess and resumption of a shareholders meeting

When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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

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 Amendment

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

Tanvex BioPharma, Inc.

Procedures for Acquisition or Disposal of Assets (English translation)

Article 1 Purpose of and basis for adoption

To protect the rights and interests of shareholders and investors, and ensure public disclosure of information, the "Procedures for Acquisition or Disposition of Assets" (the "Procedures") are thus adopted by the Company.

Article 2 Scope of applicable assets

The term "assets" as used in the Procedures includes the following:

1. 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 land, house and building, investment real estate, land usage right, inventories of construction enterprises) and equipment.
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.
7. Assets acquired or disposed of in connection with mergers, spin-offs, acquisitions, or transfer of shares in accordance with law.
8. Other major assets.

Article 3 Definitions

Terms used in these Regulations are defined as follows:

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 of in connection with mergers, spin-offs, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, spin-offs, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding

Company Act, Financial Institution Merger Act and other acts, or shares acquired 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.

3. Related party and subsidiary: As defined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Affiliated companies: Refers to parent companies and all its subsidiaries.
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 equipment.
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 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 Mainland China area.
8. "Most recent financial statement" Refers to the financial statement certified or audited by the certified public accountant in accordance with the Laws prior to the acquisition or disposal of the assets.

Article 4 Exclusion of related party

Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company 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 5 Limits for Investment in Non-Business Use Real Property and Securities

1. The total amount of real property not for business use shall not exceed 50% of the Company's paid-in capital.
2. The total amount of investment in securities defined in Paragraph 1 of Article 2 which are not owned by affiliated companies (the "Securities") shall not exceed 80% of the Company's paid-in capital.
3. The amount of investment in any single security not owned by affiliated companies shall not exceed 50% of the Company's paid-in capital.

Article 6 Decision-making and the degree of authority delegated

1. Securities: The Company's acquisition or disposal of Securities with the amount of NT\$30 million or less shall be effective upon approval by the

authorized Chairman of the Board; transactions with the amount of over NT\$30 million shall be approved by the resolution of the Board of Directors.

2. Related party transactions: With respect to the acquisition or disposal of business-use equipment between the Company and its parent or subsidiaries, the Company's Board of Directors may delegate the Chairman of the Board to decide such matters when the transaction is within the amount of 1% of the Company's total assets, and have the decisions subsequently submitted to and ratified by the next board of directors meeting.
3. Derivatives trading: The Company engaging in derivatives trading shall authorize the relevant personnel to handle in accordance with Paragraph 7, Article 12 of the Procedures, and subsequently submit to the next board of directors meeting.
4. Others: The Company shall follow the internal control systems and procedures for authority delegated in decision-making. For transactions with the amount of NT\$30 million or less shall be effective upon approval by the authorized Chairman of the Board; transactions with the amount of over NT\$30 million shall be approved by the resolution of the Board of Directors. Any transaction as stipulated in Article 185 of the Company Act shall be approved by the shareholders meeting.

For transactions which shall be submitted to the Board of Directors for approval pursuant to the Company's Procedures for Acquisition or Disposal of Assets or other laws, if any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to the Audit Committee.

When the transactions for the acquisition or disposal of assets are submitted for discussion by the Board of Directors, the board of directors shall take into full consideration of each independent director's opinions and it shall be recorded in the minutes of the board of directors meeting.

Article 7 Appraisal and procedures for acquisition or disposal of assets

1. Acquisition or disposition of Securities:
 - (1) Procedures: Finance and Accounting Department shall analyze the reasons for acquisition or disposition of securities, transaction target, reference price, etc. for benefits analysis and potential risk evaluation in accordance with the Company's internal control systems and procedures for authority delegated in decision-making.
 - (2) Method of price determination:
 - (i) Price for securities purchased or sold in the centralized exchange market or OTC market shall be determined by the fair market price of the securities at the time of transaction.
 - (ii) Price for securities not acquired or disposed in the centralized exchange market or OTC market shall be determined by its book value per share, profitability, development potentials, and fair market value at the time of transaction.

- (3) Reference of price: The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain in advance financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price. If the dollar amount of the transaction reaches 20 percent 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 engaged certified public accountant needs to adopt experts' report, it shall be done in accordance with the provisions of Statement of Auditing Standards No. 20 published by the R.O.C. Accounting Research and Development Foundation (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 competent authority of securities.

2. Acquisition or disposition of real property or other assets:

- (1) Procedures: Finance and Accounting Department shall analyze the feasibility of acquisition or disposition of real property or other assets, indicate the reasons for such acquisition or disposition, the target, transactional party, transfer price, payment and collection terms and reference price, etc., in accordance with the Company's internal regulations, to responsible levels and submit to the Company's internal control systems and procedures for authority delegated in decision-making.
- (2) Method of price determination: Acquisition or disposition of real property or other assets shall be conducted with price comparison, price negotiation, invitation to tender or other methods.
- (3) Reference of price: When the transaction amount of acquisition or disposition of real property or equipment which reaches the amount that public announcement and regulatory filing are required reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting 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 for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:
 - (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, except that, in the

event of acquisition, the appraisal results for acquired assets are higher than actual transaction amounts, or, in the event of disposition, the appraisal results for disposed assets are lower than actual transaction amounts, 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 R.O.C. Accounting Research and Development Foundation (the "ARDF") and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

- A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - B. 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.

Article 8 Basis for judgment of transactions with a related party

When the Company engages in any acquisition or disposal of assets with a related party, to judge whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

Article 9 Resolution procedure of transactions with a related party

When the Company acquires real property from or disposes real property to a related party, or acquiring from or disposing to a related party the assets other than real property, in which the actual transaction amount reaches 20 percent of the Company's paid-in capital, or 10 percent of the Company's total assets, or NT\$300 million, the following information should be submitted to Board of Directors and the Audit Committee for ratification before executing the deal contracts and making payments:

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
2. The reason for choosing the related party as a trading counterparty.
3. In the case of acquisition of real property from a related party, relevant information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 10 and Article 11.
4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.

5. 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.
6. The professional appraiser's appraisal report or the certified public accountant's opinion obtained in accordance with Article 7.
7. Restrictive covenants and other important stipulations associated with the transaction.

Calculation of the aforementioned transaction amount should be conducted pursuant to paragraph 2 of Article 14. "Within the preceding year" refers to the year preceding the date of occurrence of the current transaction. Items duly submitted for approval by resolution passed by the Audit Committee and the Board of Directors need not be counted into the transaction amount.

Article 10 Evaluation of reasonableness of transaction conditions with a related party

If one of the following three circumstance exists, the acquisition of real property from a related party shall be conducted in accordance with Article 9: the related party acquired the real property through inheritance or as a gift; or 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; or the real property is acquired through signing of a joint development contract with the related party or the contracts for engaging related parties to build on land owned or leased by the Company. For other circumstances, when acquiring acquires real estate from a related party, the Company shall comply the followings to evaluate the reasonableness of the transaction costs and also engage certified public accounts to check the evaluation and render a specific opinion:

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% or more of the financial institution's appraised loan value of the property and the period of the loan shall have been one year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.

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 subparagraph 1 and 2.

Article 11 Steps to take when results of appraisals conducted are uniformly lower than the transaction price in transactions with related party

1. When the results of an appraisal conducted in accordance with Article 10 are uniformly lower than the transaction price, the matter shall be handled in compliance with the following provisions. 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 certified public accountant 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:
 - (i) 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.
 - (ii) 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.
 - (iii) 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 the 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 proceeding 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.

2. Where acquiring real property from a related party and the results of appraisals conducted in accordance with Article 10 are uniformly lower than the

transaction price and none of the circumstances stipulated in paragraph 1 of this Article exists, the following steps shall be taken:

- (1) A special reserve shall be set aside in accordance with paragraph 1, Article 41 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. 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 1 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. A company that has set aside a special reserve under the preceding regulation 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 competent authority has given its consent.
- (2) The Audit Committee shall comply with Article 218 of the Company Act.
- (3) Actions taken pursuant to subparagraphs 1 and 2 shall be reported to shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

Article 12 Engaging in derivatives trading

1. Applicable scope:

- (1) Types of derivatives trading shall refer to products defined in subparagraph 1, paragraph 1 of Article 3. Trading of earnest money of bonds shall also apply.
- (2) Depending on the natures of trading, hedge trading is for the purpose of hedging operational risk, and financing trading is for the purpose of creating extra risks for the sake of making profits.

2. Segregation of duties:

(1) Financial personnel:

- (i) Capture market information, determine trends and risks, familiarize with financial products and relevant laws and regulations, and operational techniques, etc., and conduct trading following the instructions by the responsible supervisor in order to hedge the risks of price fluctuations from the market.
- (ii) Evaluate on a regular basis
- (iii) Make public announcement and filing on a regular basis

(2) Accounting personnel:

- (i) Provide information on risk exposure position.

- (ii) Prepare financial reports and keep accounts accordance with generally accepted accounting principles.
 - (iii) Evaluate, monitor and control transactional risks
- 3. Performance evaluation:
 - (1) Positions of derivative trading shall be evaluated at least once a week; however, hedge trading for business purpose may be evaluated every two weeks. The evaluation reports shall be submitted to the senior management personnel authorized by the Board of Director.
 - (2) Performance evaluation should be compared with pre-set evaluation basis on the evaluation date as reference for future decision.
- 4. Total amount of derivatives contracts that may be traded and the maximum loss limit on total trading:
 - (1) Limitation of total amount of derivatives contracts
 - (i) Hedge trading: the total contract amount shall not exceed total amount of debt of that year.
 - (ii) Non-hedge trading: based on the prediction of the market trends, finance and accounting departments may adopt strategy as necessary, and submit to Chairman of the Board of Directors for approval before it can be conducted.
 - (2) The maximum loss limit:
 - (i) Hedge trading: The purpose of this trading is to hedge risks and fix costs of foreign exchange. The loss amount in the Company's overall signed derivatives contracts shall not exceed 50 percent of the total contracts amount; the loss amount in the Company's individual contracts shall not exceed 50 percent of that specific contract amount.
 - (ii) Non-hedge trading: The Company shall set up stop-loss points upon establishment of positions to avoid extra loss. The stop-loss points shall not exceed 10 percent of the total contracts amount. The Company's annual loss amount or loss amount in the individual contract shall not exceed 1% of the Company's paid-in capital.
- 5. Risk management measures
 - (1) Credit risk management: trading counterparty should be mainly the banks with which the Company has business interaction.
 - (2) Market risk management: limited to stock exchange market and OTC transaction.
 - (3) Cash flow risk management: to ensure stability of the company's working capital turnover, the Company's funding source for derivatives trading should be limited to equity fund. In determining trading amount, fund

needed (based on the upcoming three-month cash flow forecast) should also be taken into consideration.

(4) Operating risk management

- (i) Must comply with authorized ceiling and operating procedures to avoid operating risks.
- (ii) Trading personnel may not serve concurrently in other operations such as confirmation and settlement.
- (iii) Personnel engaging in evaluation, supervision and control of trading risks and personnel in the preceding subparagraph shall not serve concurrently in the same operations. Such personnel shall report to the board of directors or the senior management personnel not in charge of trading or decision-making of positions.
- (iv) Positions of derivative trading shall be evaluated at least once a week; however, hedge trading for business purpose may be evaluated every two weeks. The evaluation reports shall be submitted to the senior management personnel authorized by the Board of Director.

(5) Product risk management

Internal trading personnel shall have comprehensive and accurate professional knowledge about financial products, and request banks to fully disclose risks in order to avoid risks of misuse of financial products.

(6) Legal risk management

To avoid legal risks, all documents intended to be entered into with financial institutions shall not be executed until being reviewed by foreign exchange and legal department, or professional personnel such as legal counsel.

6. Operational procedures

- (1) Confirmation of trading position
- (2) Analysis and judgment of relevant trends
- (3) Determination of methods for risk hedging:
 - (i) Target of trading
 - (ii) Position of trading
 - (iii) Target price and range
 - (iv) Strategies and types of trading
- (4) Obtaining approval for trading
- (5) Execution of trading

- (i) Counterparty of trading: limited to domestic or overseas financial institutions.
 - (ii) Confirmation of trading: after trading personnel has completed the transaction, a transaction bill shall be filled in and confirmed by the confirmation personnel as to whether the trading terms are in consistent with those on the transaction bill. The bill then shall be submitted for approval by the responsible supervisor.
- (6) Settlement: after the trading has been confirmed and no mistake identified, settlement shall be made in the agreed price by settlement personnel appointed by the payment unit on the settlement date with whom purchase price brought and related documents prepared.

7. Authorized ceiling

(1) Hedge trading

Amount	General Manager/ CEO	Chairman of the Board	Board of Directors
\$30 million or less	*	*	
More than \$30 million	*	*	*

(2) Non-hedge trading

Amount	General Manager/ CEO	Chairman of the Board	Board of Directors
\$5 million or less	*	*	
More than \$5 million	*	*	*

8. Internal control

- (1) Trading personnel may not serve concurrently in other operations such as confirmation and settlement.
- (2) Trading personnel should provide those trading certificates or contracts for registration personnel for records.
- (3) Registration personnel should login or check accounts with trading counterparty regularly.
- (4) Registration personnel shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated shall be recorded in detail in the log book.

9. Periodic evaluation

- (1) The responsible personnel designated by the Board of Director shall at all times to pay attention to monitoring and controlling derivatives trading risk in accordance with the "Implementation Rules for Internal Control, and also shall periodically evaluate whether performance of derivatives trading is consistent with established operational strategy and whether the risk undertaken is within the permitted scope of tolerance of the Company.
- (2) The responsible personnel designated by the Board of Director shall periodically evaluate whether the risk management measures currently adopted are appropriate faithfully conducted in accordance with the Procedures.
- (3) Positions of derivative trading shall be evaluated at least once a week; however, hedge trading for business purpose may be evaluated every two weeks.
- (4) When irregular circumstances are found, the responsible personnel designated by the Board of Director shall adopt appropriate measures and immediately report to the Board of Directors; where the Company has independent directors, an independent director shall be present at the meeting and express an opinion.
- (5) The Company shall report to the most recent Board of Directors meeting after it authorizes the relevant personnel to handle derivatives trading in accordance with relevant provisions in the Procedures.

10. Internal audit system

- (1) Internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the Audit Committee shall be notified in writing.
- (2) Internal audit personnel shall report in the prescribed format and via the Internet-based information system to the Securities and Futures Bureau for future reference the aforementioned audit report and improvements on irregular circumstances in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies."

Article 13 Mergers and consolidations, spin-offs, acquisitions, and transfer of shares

1. The Company conducting a merger, spin-off, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a certified public accountant, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage.

2. The Company participating in a merger, spin-off, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, spin-off, or acquisition prior to the shareholders meeting and include it along with the expert opinion when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, spin-off, or acquisition. Provided, where a provision of another act exempts the Company from convening a shareholders meeting to approve the merger, spin-off, or acquisition, this restriction shall not apply. Where the shareholders meeting of the Company fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.
3. A company participating in a merger, spin-off, 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, spin-off, or acquisition, unless another act provides otherwise or the Securities and Futures Bureau is notified in advance of extraordinary circumstances and grants consent. A company participating in transfer of shares shall convene a board of directors meeting on the day of the transaction unless another act provides otherwise or the Securities and Futures Bureau is notified in advance of extraordinary circumstances and grants consent.
4. Every person participating in or privy to the plan for merger, spin-off, 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, spin-off, acquisition, or transfer of shares.
5. When participating in a merger, spin-off, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:
 - (1) Basic identification data for personnel: including the job 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, spin-off, 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, spin-off, acquisition, and share transfer plans, any letter of intent or memorandum of

understanding, material contracts, and minutes of board of directors meetings.

- (4) When participating in a merger, spin-off, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days commencing immediately from the date of passage of a resolution by the board of directors, report in the prescribed format and via the Internet-based information system the information set out in subparagraphs 1 and 2 of this Article to the FSC for recordation.
6. A company 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, spin-off, 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, spin-off, 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, spin-off, acquisition, or transfer of shares.
 - (6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
7. The contract for the Company's participation in a merger, spin-off, acquisition, or of shares shall record the relevant rights and obligations and shall also specify 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 spin-offed.
 - (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.
8. After public disclosure of the information, if the Company participating in the merger, spin-off, acquisition, or share transfer intends further to carry out a merger, spin-off, acquisition, or share transfer with another company, it shall carry out anew the procedures or legal actions that had originally been completed toward the merger, spin-off, 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 company may be exempted from calling another shareholders meeting to resolve on the matter anew.
 9. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by paragraphs 3 to 5 and 8 of this Article.

Article 14 Procedures for disclosure of information

1. Under any of the following circumstances, a company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:
 - (1) Acquired or disposed real property from a related party, or acquiring or disposing assets other than real property from a related party in which transaction amount reaches 20 percent of the company's paid-in capital, or 10 percent of the company's total assets, or NT\$300 million. However, trading of government bonds and trading of bonds under repurchase / resale agreements, subscription or redemption of domestic money market funds shall not apply.
 - (2) Merger, spin-off, acquisition, or transfer of shares.
 - (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the Procedures.
 - (4) Where an asset transaction other than any of those referred to in the preceding three subparagraphs, or a disposal of receivables by a financial institution, or engage in investment in 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:
 - (i) Trading of government bonds.

- (ii) Trading of bonds under repurchase / resale agreements or subscription or redemption of domestic money market funds.
 - (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 is less than NT\$500 million.
 - (iv) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount is less than NT\$500 million (based on the company's expected input amount).
2. 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 trading counterparty within the preceding year.
 - (3) The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.
 - (4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.
3. "Within the preceding year" as used in preceding paragraph 2 refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Procedures need not be counted toward the transaction amount.
4. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the Securities and Futures Bureau by the 10th day of each month.
5. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety.
6. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and certified public accountant, attorney, and securities underwriter opinions at the company headquarters, where they shall be retained for 5 years except where another act provides otherwise.

7. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported, a public report of relevant information shall be made on the information reporting website designated by the Securities and Futures Bureau within 2 days commencing immediately from the date of occurrence of the event:
 - (1) Change, termination, or rescission of a contract signed in regard to the original transaction.
 - (2) The merger, spin-off, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - (3) Change to the originally publicly announced and reported information.

Article 15 Control procedures for the acquisition and disposal of assets by subsidiaries.

1. Subsidiaries shall adopt and act in accordance with procedures for acquisition or disposal of assets.
2. When the assets acquired or disposed by a non-public subsidiary reach the amount that a public announcement and regulatory filing are required, the Company should also make the required public announcement and regulatory filing. The standard of "reaching 20% of paid-in capital or 10% of the total assets" for the subsidiary making announcement and filing should be calculated based on the Company's paid-in capital or total assets.
3. Subsidiaries shall self-examine whether their procedures for acquisition or disposal of assets are in accordance with relevant laws and regulations, and whether their acquisition or disposal of assets are in accordance with provisions prescribed in the procedures they adopted.
4. Internal audit personnel shall check the subsidiaries' self-examination reports, and other relevant matters.

Article 16 Penalties

Violation of the Procedures by a manager or responsible personnel of the Company shall be reported for performance review in accordance with the Company's human resource management rules and sanctioned based on the severity of the incident.

Article 17 Implementation and amendment

1. The Procedures and any amendment hereto shall be effective upon approval by the resolution of the Board of Directors and the Audit Committee, subject to the ordinary resolution in the general meeting. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to the Audit Committee and general meeting for discussion. After the adoption of the Procedures, if any law or regulations amends, the Procedures shall be amended accordingly, and approved by resolutions of the Audit Committee, Board of Directors, and the shareholders meeting in accordance with relevant laws and regulations.

2. For matters not prescribed in the Procedures, related regulations and other internal rules of the Company shall govern.

THE COMPANIES LAW (AS AMENDED)
COMPANY LIMITED BY SHARES
FOURTH AMENDED AND RESTATED

MEMORANDUM AND ARTICLES OF ASSOCIATION



INCORPORATED ON THE 8TH DAY OF MAY, 2013
(Adopted by Special Resolution passed on September 22, 2016)

INCORPORATED IN THE CAYMAN ISLANDS

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THE COMPANIES LAW (AS AMENDED)

COMPANY LIMITED BY SHARES

FOURTH AMENDED AND RESTATED

MEMORANDUM OF ASSOCIATION

OF

TANVEX BIOPHARMA, INC. 泰福生技股份有限公司

(Adopted by Special Resolution passed on September 22, 2016)

1. The name of the Company is Tanvex BioPharma, Inc. 泰福生技股份有限公司 (the "**Company**").
2. The registered office of the Company will be situated at the offices of Offshore Incorporations (Cayman) Limited, Floor 4, Willow House, Cricket Square, P O Box 2804, Grand Cayman KY1-1112, Cayman Islands or at such other location as the Directors may from time to time determine.
3. The objects for which the Company is established are unrestricted.

The Company have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Law of the Cayman Islands (as amended) (the "**Law**").
4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by Section 27(2) of the Law.
5. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
6. The liability of the Shareholders of the Company is limited to the amount, if any, unpaid on the share respectively held by them.
7. The capital of the Company is NT\$5,000,000,000 divided into 500,000,000 shares of a nominal or par value of NT\$10 each provided always that subject to the Law and the Articles of Association the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.
8. The Company may exercise the power contained in Section 206 of the Law to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.



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THE COMPANIES LAW (AS AMENDED)
COMPANY LIMITED BY SHARES
FOURTH AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF

Tanvex BioPharma, Inc. 泰福生技股份有限公司

(Adopted by Special Resolution passed on September 22, 2016)

TABLE A

The Regulations contained or incorporated in Table 'A' in the First Schedule of the Law shall not apply to Tanvex BioPharma, Inc. 泰福生技股份有限公司 (the "**Company**") and the following Articles shall comprise the Articles of Association of the Company.

INTERPRETATION

1. In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

"Affiliated Company" means with respect to any affiliated company as defined in the Applicable Listing Rules;

"Applicable Listing Rules" means the relevant laws, regulations, rules and code as amended, from time to time, applicable as a result of the original and continued trading or listing of any Shares on any Taiwan stock exchange or securities market, including, without limitation the relevant provisions of Taiwan Company Act, Securities and Exchange Act, the Acts Governing Relations Between Peoples of the Taiwan Area and the Mainland Area, or any similar statute and the rules and regulations of the Taiwan authorities thereunder, and the rules and regulations promulgated by the Financial Supervisory Commission, the TPEx or the Taiwan Stock Exchange;

"Articles" means these articles of association of the Company, as amended or substituted from time to time;

"Audit Committee" means the audit committee of the Company formed by the Board pursuant to Article 118 hereof, or any successor audit committee;

"Book-Entry Transfer" means a method whereby the issue, transfer or delivery of Shares is effected electronically by debit and credit to accounts opened with securities firms by Shareholders, without delivering physical share certificates. If the Shareholder has not opened an account with a securities firm, the Shares delivered by Book-Entry Transfer shall be recorded in the entry sub-account under the Company's account with the securities central depository in Taiwan;

"Capital Reserves" means the share premium account, income from endowments received by the Company, capital redemption reserve, profit and loss account and other reserves generated in accordance with generally accepted accounting principles.

"Chairman" has the meaning given thereto in Article 82;

"Class" or **"Classes"** means any class or classes of Shares as may from time to time be issued by the Company;



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"Commission" means Financial Supervisory Commission of Taiwan or any other authority for the time being administering the Securities and Exchange Act of Taiwan;

"Common Share" means a common share in the capital of the Company of NT\$10 nominal or par value issued subject to and in accordance with the provisions of the Law and these Articles, and having the rights and being subject to restrictions as provided for under these Articles with respect to such Share;

"Constituent Company" means an existing company that is participating in a Merger with one (1) or more other existing companies within the meaning of the Law;

"Directors" and **"Board of Directors"** and **"Board"** means the directors of the Company for the time being, or as the case may be, the directors assembled as a board or as a committee thereof;

"electronic" shall have the meaning given to it in the Electronic Transactions Law (as amended) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefore;

"electronic communication" means transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than two-thirds (2/3) of the vote of the Board;

"Emerging Market" means the emerging market board of TPEX in Taiwan;

"Family Relationship within Second Degree of Kinship" in respect of a natural person, means another natural person who is related to the first person either by blood or by marriage of a member of the family and within the second degree to include but not limited to the parents, siblings, grandparents, children and grandchildren of the first person as well as the first person's spouse's parents, siblings and grandparents;

"Guidelines Governing Election of Directors" means guidelines governing election of Directors of the Company, as amended or substituted from time to time as prescribed in the Applicable Listing Rules;

"Indemnified Person" has the meaning given thereto in Article 152;

"Independent Director" means a director who is an independent director as defined in the Applicable Listing Rules;

"Law" means the Companies Law of the Cayman Islands (as amended);

"Legal Reserves" the legal reserve allocated in accordance with the Applicable Listing Rules;

"Memorandum of Association" means the memorandum of association of the Company, as amended or substituted from time to time;

"Merger" means the merging of two (2) or more Constituent Companies and the vesting of their undertaking, property and liabilities in one (1) of such companies as the Surviving Company within the meaning of the Law;

"MOEA" means Ministry of Economic Affairs of Taiwan being administering the Company Act of Taiwan and relevant corporate matters in Taiwan;

"Office" means the registered office of the Company as required by the Law;

"Ordinary Resolution" means a resolution passed by a simple majority of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general



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meeting of the Company and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled;

"paid up" means paid up as to the par value and any premium payable in respect of the issue of any Shares and includes credited as paid up;

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

"preferred Shares" has the meaning given thereto in Article 10;

"Procedural Rules of Board Meetings" means procedural rules of the Board meetings of the Company, as amended or substituted from time to time as prescribed in the Applicable Listing Rules;

"Procedural Rules of General Meetings" means procedural rules of the general meetings of the Company, as amended or substituted from time to time as prescribed in the Applicable Listing Rules;

"Register" or **"Register of Members"** means the register of Members of the Company required to be kept pursuant to the Law;

"Republic of China" or **"Taiwan"** means the Republic of China, its territories, its possessions and all areas subject to its jurisdiction;

"Retained Earnings" means the sums including but not limited to the Legal Reserves, Special Reserves, and unappropriated earnings;

"Rules of Audit Committee" means rules of Audit Committee of the Company, as amended or substituted from time to time as prescribed in the Applicable Listing Rules;

"Seal" means the common seal of the Company (if adopted) including any facsimile thereof;

"Secretary" means any Person appointed by the Directors to perform any of the duties of the secretary of the Company;

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

"Shareholder" or **"Member"** means a Person who is registered as the holder of Shares in the Register;

"Share Premium Account" means the share premium account established in accordance with these Articles and the Law;

"Shareholders' Service Agent" means the agent licensed by Taiwan authorities to provide certain shareholders services in accordance with the Applicable Listing Rules to the Company;

"signed" means bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;

"Special Reserves" means the reserve allocated from Retained Earnings in accordance with the Applicable Listing Rules, or resolutions of shareholders meetings;

"Special Resolution" means a special resolution of the Company passed in accordance with the Law, being a resolution passed by a majority of not less than two-thirds (2/3) of such



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Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled;

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

"Supermajority Resolution Type A" means a resolution passed by Shareholders, as being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, such Shareholders holding not less than half of the Shares held by all Shareholders attending that meeting, and such meeting attended by Shareholders holding not less than two-thirds (2/3) of all issued Shares of the Company;

"Supermajority Resolution Type B" means where the Shareholders attending the general meeting are holding less than two-thirds (2/3) of all issued Shares of the Company entitled to vote thereon as required under the Supermajority Resolution Type A, a resolution passed by Shareholders, as being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, such Shareholders holding not less than two-thirds (2/3) of the Shares held by all Shareholders attending that meeting, and such meeting attended by Shareholders holding not less than half of all issued Shares of the Company;

"Surviving Company" means the sole remaining Constituent Company into which one (1) or more other Constituent Companies are merged within the meaning of the Law;

"Treasury Shares" means Shares that were previously issued but were purchased, redeemed or otherwise acquired by the Company and not cancelled, in accordance with these Articles, the Law and the Applicable Listing Rules; and

"TPEX" means Taipei Exchange.

"TSE" means the Taiwan Stock Exchange.

2. In these Articles, save where the context requires otherwise:

- (a) words importing the singular number shall include the plural number and vice versa;
- (b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;
- (c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
- (d) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;
- (e) reference to any determination by the Directors shall be construed as a determination by the Directors in their absolute discretion and shall be applicable either generally or in any particular case; and
- (f) reference to "in writing" shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing or partly one (1) and partly another.



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3. Subject to the last two preceding Articles, any words defined in the Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

PRELIMINARY

4. The business of the Company may be commenced at any time after incorporation.
5. The Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.
6. The preliminary expenses incurred in the formation of the Company and in connection with the issue of Shares shall be paid by the Company. Such expenses may be amortised over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.
7. The Board of Directors shall keep, or cause to be kept, the Register which may be kept in or outside the Cayman Islands at such place as the Board of Directors may from time to time determine and, in the absence of any such determination, the Register shall be kept at the Office.

SHARES

8. Subject to these Articles, all Shares for the time being unissued shall be under the control of the Directors who may :
- (a) issue, allot and dispose of the same to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine; and
 - (b) grant options with respect to such Shares and issue warrants or similar instruments with respect thereto;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued.

9. The Directors may authorise the division of Shares into any number of Classes and the different Classes shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different Classes (if any) shall be fixed and determined by the Directors.
10. The Company may issue Shares with rights which are preferential to those of ordinary Shares issued by the Company ("**preferred Shares**") with the approval of a majority of the Directors present at a meeting attended by two-thirds (2/3) or more of the total number of the Directors and with the approval of a Special Resolution. Prior to the issuance of any preferred Shares approved pursuant to this Article 10, these Articles shall be amended to set forth the rights and obligations of the preferred Shares, including but not limited to the following terms, and the same shall apply to any variation of rights of preferred Shares:
- (a) number of preferred Shares issued by the Company and the number of preferred Shares the Company is authorized to issue;
 - (b) order, fixed amount or fixed ratio of allocation of dividends and bonus on preferred Shares;
 - (c) order, fixed amount or fixed ratio of allocation of surplus assets of the Company;



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- (d) order of or restriction on the voting right(s) (including declaring no voting rights whatsoever) of preferred Shareholders;
 - (e) other matters concerning rights and obligations incidental to preferred Shares; and
 - (f) the method by which the Company is authorized or compelled to redeem the preferred Shares, or a statement that redemption rights shall not apply.
11. Subject to these Articles and the Applicable Listing Rules, the issue of new Shares of the Company shall be approved by a majority of the Directors present at a meeting attended by two-thirds (2/3) 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 authorised capital of the Company.
 12. The Company shall not issue any unpaid Shares or partly paid-up Shares. The Company shall not issue shares in bearer form.
 13. For so long as the Shares are registered in the Emerging Market or listed on the TPEX or TSE, upon each issuance of new Shares, the Directors may reserve not more than fifteen percent (15%) of the new shares for subscription by the employees of the Company and/or any Subsidiaries of the Company who are determined by the Board in its reasonable discretion. The term "Subsidiaries" above refers to the companies defined under No. 10 and No. 11 of the IFRS (i.e., International Financial Reporting Standards) and No. 28 of the IAS (i.e., International Accounting Standards).
 14. For so long as the Shares are registered in the Emerging Market or listed on the TPEX or TSE, unless otherwise provided herein, in the Applicable Listing Rules or resolved by the Shareholders in general meeting by Ordinary Resolution, if at anytime the Board resolves to issue any new Shares, the Company shall, after reserving the portion of Shares for subscription by its employees and for public offering in Taiwan pursuant to Article 13 (if any) and Article 16 respectively, first offer such remaining new Shares by public announcement and a written notice to each then Shareholder for their subscriptions in proportion to the number of Shares held by them respectively. The public announcement and written notice shall state that if any Shareholder fails to subscribe for new Shares, his right shall be forfeited. In no event shall the subscription right in this Article be transferred to any other third parties. Where a fractional percentage of the original Shares being held by a Shareholder is insufficient to subscribe for one new Share, the fractional percentages of the original Shares being held by several Shareholders may be combined for joint subscription of one (1) or more integral new Shares or for subscription of new Shares in the name of a single Shareholder. New Shares left unsubscribed by original Shareholders may be open for public offering or for subscription by specific person or persons through negotiation.
 15. The Shareholders' pre-emptive right prescribed under Article 14 shall not apply in the event that new Shares are issued due to the following reasons or for the following purpose:
 - (a) in connection with a Merger with another company, or the Spin-off of the Company, or pursuant to any reorganization of the Company;
 - (b) in connection with meeting the Company's obligation under Share subscription warrants and/or options;
 - (c) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to acquire Shares; or
 - (d) in connection with meeting the Company's obligation under preferred Shares vested with rights to acquire Shares.
 16. For so long as the Shares are registered in the Emerging Market, unless otherwise provided in the Applicable Listing Rules, where the Company increases its capital by issuing new Shares in Taiwan, the Company may allocate ten percent (10%) of the total amount of the new Shares to be issued, for offering in Taiwan to the public unless it is not deemed



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necessary or appropriate by the Commission, according to the Applicable Listing Rules, for the Company to conduct the aforementioned public offering. For so long as the Shares are listed on the TPEX or TSE, unless otherwise provided in the Applicable Listing Rules, where the Company increases its capital by issuing new Shares in Taiwan, the Company shall allocate ten percent (10%) of the total amount of the new Shares to be issued, for offering in Taiwan to the public unless it is not deemed necessary or appropriate by the Commission, according to the Applicable Listing Rules, for the Company to conduct the aforementioned public offering. Provided however, if a percentage higher than the aforementioned ten percent (10%) is resolved by an Ordinary Resolution to be offered, the percentage determined by such resolution shall prevail. For so long as the Shares are registered in the Emerging Market or listed on the TPEX or TSE, unless otherwise provided in the Applicable Listing Rules, the Company shall obtain a prior approval of the Commission and/or other competent authorities for any capital increase (i.e., issue of new Shares) (whether inside Taiwan or outside Taiwan) in accordance with the Applicable Listing Rules.

17. For so long as the Shares are registered in the Emerging Market or listed on the TPEX or TSE, subject to the Applicable Listing Rules, the Company may, upon resolution by a majority votes at a meeting of the Board of Directors attended by two-thirds (2/3) or more of the Directors, adopt one (1) or more employee incentive programmes (such as employee stock option plan) pursuant to which options, warrants, or other similar instruments to acquire Shares may be granted to employees of the Company and/or any Subsidiaries of the Company to subscribe for Shares. A total of 50,000,000 shares among the authorised shares of the Company should be reserved for issuing shares upon an exercise of the employee stock options. The options, warrants, or other similar instruments to acquire Shares granted to any employee under any employee stock option plan shall be non-transferable, except to the heirs of the employees. The term "Subsidiaries" above refers to the companies defined under No. 10 and No. 11 of the IFRS (i.e., International Financial Reporting Standards) and No. 28 of the IAS (i.e., International Accounting Standards).
- 17B. For so long as the Shares are registered in the Emerging Market or listed on the TPEX or TSE, the Company may, with the authority of either a Supermajority Resolution Type A or a Supermajority Resolution Type B, issue restricted shares for employees. In respect of the issuance of restricted shares for employees in the preceding paragraph, the number of shares to be issued, issue price, issue conditions and other matters shall be subject to the Applicable Listing Rules and the requirements of the Commission.

PRIVATE PLACEMENT

- 17C. For so long as the Shares are registered in the Emerging Market or listed on the TPEX or TSE, subject to the Applicable Listing Rules, the Company may by a resolution passed by at least two-thirds (2/3) of votes cast by Shareholders present at the general meeting with a quorum of more than half of the total number of the issued Shares at the general meeting carry out private placement of its securities to the following entities in Taiwan:
- (a) banking enterprises, bill enterprises, trust enterprises, insurance enterprises, securities enterprises or any other legal entities or institutions approved by the Commission;
 - (b) individuals, legal entities or funds meeting the qualifications established by the Commission; and
 - (c) Directors, supervisors (if any) and managers of the Company or the Affiliated Companies.

For so long as the Shares are registered in the Emerging Market or listed on the TPEX or TSE, subject to the Applicable Listing Rules, a private placement of ordinary corporate bonds may be carried out in instalments within one (1) year of the date of the relevant resolution of the Board of Directors approving such private placement.



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Filed: 10-Oct-2016 17:20 EST

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MODIFICATION OF RIGHTS

18. Whenever the capital of the Company is divided into different Classes (such as the Common Shares and the preferred Shares), the rights attached to any such Class may (unless otherwise provided by the terms of issue of the Shares of that Class) only be materially adversely varied or abrogated (including but not limited to the circumstances where there is any amendment to these Articles which may be prejudicial to the rights of the holders of any preferred Shares) by: (i) a Special Resolution passed at a general meeting of holders of Common Shares; and (ii) a Special Resolution passed at a separate meeting of the holders of Shares of the relevant Class (such as the preferred Shares).

To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply, except that the necessary quorum shall be one (1) or more Persons at least holding or representing by proxy one-half (1/2) in nominal or par value amount of the issued Shares of the relevant Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Shareholders who are present shall form a quorum) and that, subject to the terms of issue of the Shares of that Class, every Shareholder of the Class shall on a poll have one (1) vote for each Share of the Class held by him.

19. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that Class, be deemed to be materially adversely varied or abrogated by, *inter alia*, the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them or the redemption or purchase of Shares of any Class by the Company.

CERTIFICATES

20. The Company shall deliver Shares to the subscribers of new Shares by Book-Entry Transfer within thirty (30) days from the date the Shares may be issued pursuant to the Applicable Listing Rules and make public announcement prior to the delivery. So long as the Shares are registered in the Emerging Market or listed in the TPEX or TSE, the Company may issue the Shares in scriptless form provided that the Company shall register with the securities central depository in Taiwan. No Person shall be entitled to a certificate for any or all of his/her Shares, unless the Directors shall determine otherwise.

FRACTIONAL SHARES

21. Subject to these Articles, the Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one (1) fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

TRANSFER OF SHARES

22. Title to Shares which are registered in the Emerging Market or listed in the TPEX or the TSE may be evidenced and transferred in accordance with the Applicable Listing Rules. Subject to the Applicable Listing Rules, the Law and Article 40E, Shares issued by the Company shall be freely transferable, provided that any Shares reserved for issuance to the employees of the Company may be subject to transfer restrictions for a period of not more than two (2) years as the Directors may agree with such employees.

Subject to the Law and notwithstanding anything to the contrary in these Articles, Shares that are listed or admitted to trading on an approved stock exchange (as defined in the Law, including the TPEX and the TSE), may be evidenced and transferred in accordance with the rules and regulations of such exchange.



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Filed: 10-Oct-2016 17:20 EST

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23. The instrument of transfer of any Share shall be in any usual or common form or such other form as the Directors may, in their absolute discretion, approve or the form required by the TPEX or TSE (for so long as the Shares are registered in the Emerging Market or listed in the TPEX or TSE) and be executed by or on behalf of the transferor and if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register in respect of the relevant Shares. The Register of Members maintained by the Company in respect of the Shares which are registered in the Emerging Market or listed in the TPEX or the TSE may be kept by recording the particulars required under the Law in a form otherwise than legible provided such recording otherwise complies with the laws applicable to the Emerging Market, TPEX or TSE and the Applicable Listing Rules. To the extent the Register of Members is kept in a form otherwise than legible it must be capable of being reproduced in a legible form.
24. The Board may decline to register any transfer of any Share unless:
- (a) the instrument of transfer is lodged with the Company, accompanied by the certificate (if any) for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
 - (b) the instrument of transfer is in respect of only one (1) class of Shares;
 - (c) the instrument of transfer is properly stamped, if required; or
 - (d) in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four (4).

This Article is not applicable during the period that the Shares are registered in the Emerging Market or listed in TPEX or TSE.

25. The registration of transfers may be suspended when the Register is closed in accordance with Article 41.
26. All instruments of transfer that are registered shall be retained by the Company, but any instrument of transfer that the Directors decline to register shall (except in any case of fraud) be returned to the Person depositing the same.

TRANSMISSION OF SHARES

27. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two (2) or more holders, the survivors or survivor, or the legal personal representatives of the deceased, shall be the only Person recognised by the Company as having any title to the Share.
28. Any Person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder shall upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt Person could have made. If the person so becoming entitled shall elect to be registered himself as holder he shall deliver or send to the Company a notice in writing signed by him stating that he so elects, but the Directors shall, in either case, have the same right to decline or suspend registration, and for so long as the Shares are registered in the Emerging Market or listed on the TPEX or TSE, decline or suspend registration in accordance with the laws applicable to the Emerging Market, TPEX or TSE and the Applicable Listing Rules, as they would have had in the case of a transfer of the Share by the deceased or bankrupt Person before the death or bankruptcy.



Uploaded: 04-Oct-2016 11:14 EST

Filed: 10-Oct-2016 17:20 EST

Auth Code: H52820938393

29. A Person becoming entitled to a Share by reason of the death or bankruptcy of a Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company; provided however, that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety (90) days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with. Notwithstanding the above, for so long as the Shares are registered in the Emerging Market or listed on the TPEx or TSE, the Directors shall comply with the laws applicable to the Emerging Market, TPEx or TSE and the Applicable Listing Rules.

VOTING ON RESOLUTION

30. The Company may from time to time by Special Resolution increase the share capital by such sum, to be divided into Shares of such Classes and amount, as the resolution shall prescribe.

The Company may from time to time by Ordinary Resolution:

- (a) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;
- (b) convert all or any of its paid up Shares into stock and reconvert that stock into paid up Shares of any denomination;
- (c) subdivide its existing Shares, or any of them into Shares of a smaller amount; and
- (d) cancel any Shares that, 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.

31. The Company may also by Special Resolution:

- (a) change its name;
- (b) subject to the Law, reduce its share capital and any capital redemption reserve in any manner authorised by law; and
- (c) effect a Merger of the Company in accordance with the Applicable Listing Rules and the Law.

32. The Company may also by either a Supermajority Resolution Type A or the Supermajority Resolution Type B:

- (a) enter into, amend, or terminate any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;
- (b) transfer the whole or any material part of its business or assets;
- (c) take over the transfer of another's whole business or assets, which will have a material effect on the business operation of the Company;
- (d) effect any Spin-off of the Company in accordance with the Applicable Listing Rules;
- (e) grant waiver to the Director's engaging in any business within the scope of the Company's business;
- (f) issue restricted shares for employees pursuant to Article 17B; and



Uploaded: 04-Oct-2016 11:14 EST
Filed: 10-Oct-2016 17:20 EST
Auth Code: H52820938393

- (g) distribute part or all of its dividends or bonus by way of issuance of new Shares, for the avoidance of doubts, the allotment of bonus shares in connection with the Employees' Remunerations pursuant to Article 129 shall not require the approval of a Supermajority Resolution Type A or a Supermajority Resolution Type B.

granting of employee stock options with an exercise price per share (1) that is lower than the closing price of Common Shares of the Company traded on the Emerging Market, the TPEx or the TSE as of the grant date, or (2) for that is lower than the weighted average trade price for the Company's Common Shares traded on the Emerging Market during the period preceding the price determination date, or lower than the net value per share in the financial reports audited and attested or reviewed by a CPA issued for the most recent period, shall require a resolution passed by Shareholders, as being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, such Shareholders holding not less than two-thirds (2/3) of the Shares held by all Shareholders attending that meeting, and such meeting attended by Shareholders holding not less than half of all issued Shares of the Company.

33. Subject to the Law, these Articles and the quorum requirement under the Applicable Listing Rules, with regard to the dissolution procedures of the Company, the Company shall pass;

- (a) either a Supermajority Resolution Type A or a Supermajority Resolution Type B, if the Company resolves that it be wound up voluntarily because it is unable to pay its debts as they fall due; or
- (b) a Special Resolution, if the Company resolves that it be wound up voluntarily for reasons other than the reason stated in Article 33(a) above.

34. Subject to the Law, in the event any of the resolutions with respect to the paragraph (a), (b), or (c) of Article 32 is adopted by general meeting, any Shareholder who has notified the Company in writing of his objection to such proposal prior to such meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair price within twenty (20) days after the date of the resolution. In the event the Company fails to reach such agreement with the Shareholder within sixty (60) days after the date of the resolution, the Shareholder may, within thirty (30) days after such sixty (60)-day period, file a petition to any competent court of Taiwan for a ruling on the appraisal price, and, to the extent that the ruling is capable of enforcement and recognition outside Taiwan, such ruling by such Taiwan court shall be binding and conclusive as between the Company and requested Shareholder solely with respect to the appraisal price.

Subject to the Law, in the event any part of the Company's business is Spun Off or involved in any Merger with any other company, the Shareholder, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the general meeting, may request the Company to purchase all of his Shares at the then prevailing fair price within twenty (20) days after the date of the resolution. In the event the Company fails to reach such agreement with the Shareholder within sixty (60) days after the date of the resolution, the Shareholder may, within thirty (30) days after such sixty (60)-day period, file a petition to any competent court of Taiwan for a ruling on the appraisal price, and, to the extent that the ruling is capable of enforcement and recognition outside Taiwan, such ruling by such Taiwan court shall be binding and conclusive as between the Company and requested Shareholder solely with respect to the appraisal price.

REDEMPTION AND PURCHASE OF SHARES

35. Subject to the Law, the Applicable Listing Rules and these Articles, the Company is authorized to issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Shareholder. For so long as the Shares are registered in the Emerging Market or listed on the TPEx or TSE, the repurchase of the Shares by the Company shall be subject to the Applicable Listing Rules and the Cayman Islands law.



Uploaded: 04-Oct-2016 11:14 EST
Filed: 10-Oct-2016 17:20 EST
Auth Code: H52820938393

36. The Company is authorised to make payments in respect of the redemption of its shares out of the funds lawfully available (including out of capital) in accordance with the Law and the Applicable Listing Rules.
37. The redemption price of a redeemable Share, or the method of calculation thereof, shall be fixed by the Directors at or before issue of such Share. Every share certificate representing a redeemable share shall indicate that the share is redeemable.
38. Subject to the Applicable Listing Rules and Articles 38B and 39B, and with the sanction of an Ordinary Resolution authorising the manner and terms of purchase, the Directors may on behalf of the Company purchase any share in the Company (including a redeemable share) by agreement with the Shareholder or pursuant to the terms of the issue of the share and may make payments in respect of such purchase in accordance with the Law, the Applicable Listing Rules and the Ordinary Resolution authorizing the manner and terms of purchase.
- 38B. Subject to the Applicable Listing Rules, upon approval of a majority of Directors present at a Board meeting attended by two-thirds (2/3) of all Directors or more, the Company may repurchase its outstanding Shares listed on the TPEX or TSE. The resolutions of Board of Directors in the preceding paragraph and how such resolutions are implemented shall be reported to the Shareholders at the next general meeting. If the Company fails to accomplish the repurchase of its outstanding Shares listed on the TPEX or TSE as approved and anticipated by the resolutions of the Board of Directors, it shall be reported to the Shareholders at the next general meeting.
39. The redemption price or repurchase price may be paid in any manner authorised by the Law and these Articles. A delay in payment of the redemption price or repurchase price shall not affect the redemption or repurchase but, in the case of a delay of more than thirty (30) 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 Class A banks in the Cayman Islands for thirty day deposits in the same currency.
- 39B. The Shares may only be cancelled in connection with a repurchase of Shares out of the share capital of the Company or any account or funds legally available therefor with the sanction of either the Supermajority Resolution Type A or the Supermajority Resolution Type B. The number of Shares to be repurchased and cancelled pursuant to a repurchase of Shares described in the preceding paragraph shall be pro rata among the Shareholders in proportion to the number of Shares held by each such Shareholder.

The amount payable to the Shareholders in connection with a repurchase of Shares out of the share capital of the Company or any account or funds legally available therefor may be paid in cash or by way of delivery of assets in specie (i.e., non-cash). The assets to be delivered and the amount of such substitutive share capital in connection with a repurchase of Shares out of the share capital of the Company or any account or funds legally available therefor shall be approved by either the Supermajority Resolution Type A or the Supermajority Resolution Type B and shall be subject to consent by the Shareholder receiving such assets. Prior to such general meeting, the Board of Directors shall have the value of assets to be delivered and the amount of such substitutive share capital in respect of repurchase of the Shares (as described in the preceding paragraph) be audited and certified by a certified public accountant in Taiwan.

TREASURY SHARES

40. No share may be redeemed unless it is fully paid-up. Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) may, at the option of the Company, be immediately cancelled or held as Treasury Shares in accordance with the Law and Applicable Listing Rules. If the Board of Directors does not specify that the relevant Shares are to be held as Treasury Shares, such Shares shall be cancelled.
- 40B. 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) may be declared or paid in respect of Treasury Shares.



Uploaded: 04-Oct-2016 11:14 EST

Filed: 10-Oct-2016 17:20 EST

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- 40C. The Company shall be entered into the Register as the holder of the Treasury Shares provided that:
- (a) the Company shall not be treated as a member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
 - (b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued Shares at any given time, whether for the purposes of these Articles or the Law, save that, subject to the Applicable Listing Rules and the Law, an allotment of Shares as fully paid bonus shares in respect of a Treasury Shares is permitted and Shares allotted as fully paid bonus shares in respect of a Treasury Shares shall be treated as Treasury Shares.
- 40D. Subject to Article 40E and the Applicable Listing Rules, the Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Board of Directors. If the Treasury Shares having been repurchased by the Company is for the purpose of the transfer to employees under the Applicable Listing Rules, such employees may undertake to the Company to refrain from transferring such Shares during certain period with a maximum of two (2) years.
- 40E. Subject to the Applicable Listing Rules, the transfer of Treasury Shares to its employees by the Company at a price lower than the average price at which the Treasury Shares were actually repurchased by the Company shall be approved at the next general meeting by a resolution passed by at least two-thirds (2/3) of votes of Shareholders attending the meeting with a quorum of more than half of the total issued Shares. The following matters shall be listed in the reasons for convening this general meeting and in no event shall such matters be proposed at the general meeting as ad hoc motions:
- (a) transfer price determined, discount rate, calculation basis and fairness;
 - (b) number of Treasury Shares to be transferred, purpose and fairness;
 - (c) criteria of eligible employees and number of Treasury Shares that may be subscribed for; and
 - (d) impact on shareholders' rights: (i) the amount to be booked as expense of the Company and dilution of earnings per Share; and (ii) description of the Company's financial burden arising from the transfer of Treasury Shares to employees at a price lower than the average price at which the Treasury Shares were actually repurchased by the Company.

The accumulated number of Treasury Shares that have been transferred to employees as so approved at each general meetings shall not exceed five (5%) of the total issued Shares of the Company, and the accumulated number of Treasury Shares transferred to a single employee shall not exceed zero point five percent (0.5%) of the total issued Shares.

CLOSING REGISTER OR FIXING RECORD DATE

41. For the purpose of determining those Members that are entitled to receive notice of, attend or vote at any meeting of Members or any adjournment thereof, or those Members that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Member for any other purpose, the Directors may provide that the Register shall be closed for transfers for a stated period. For so long as the Shares are registered in the Emerging Market or listed in the TPEX or TSE, the Register shall be closed at least for a period of sixty (60) days, thirty (30) days and five (5) days inclusive of the date of each annual general meeting, each extraordinary general meeting and the record date for a dividend distribution, respectively.



Uploaded: 04-Oct-2016 11:14 EST
Filed: 10-Oct-2016 17:20 EST
Auth Code: H52820938393

42. Apart from closing the Register, the Directors may fix in advance a date as the record date for any such determination of those Members that are entitled to receive notice of, attend or vote at a general meeting and for the purpose of determining those Members that are entitled to receive payment of any dividend. In the event the Directors designate a record date in accordance with this Article 42 in respect of convening a general meeting, such record date shall be a date prior to the general meeting and the Directors shall immediately make a public announcement on the website designated by the Commission and the TPEX or TSE pursuant to the Applicable Listing Rules.

GENERAL MEETINGS

43. All general meetings other than annual general meetings shall be called extraordinary general meetings.
44. The Board may, whenever they think fit, convene a general meeting of the Company; provided that the Company shall in each year hold a general meeting as its annual general meeting within six (6) months after close of each financial year and shall specify the meeting as such in the notices calling it.
45. At these meetings the report of the Directors (if any) shall be presented. For so long as the Shares are registered in the Emerging Market and/or listed in the TPEX or TSE, all general meetings shall be held in Taiwan, if a general meeting is to be convened outside Taiwan, the Company, within two (2) days after the Board adopts such resolution, or, in the event of an extraordinary general meeting convened pursuant to Article 46, the relevant Shareholders, shall apply for the approval of the TPEX or the TSE.
46. Extraordinary general meetings may also be convened by the Board on the requisition in writing of any Shareholder or Shareholders entitled to attend and vote at general meetings of the Company holding three percent (3%) or more of the total number of issued Shares of the Company for a period of one (1) consecutive year or a longer time deposited at the Office or the Shareholders' Service Agent specifying the objects of the meeting, and if the Board does not duly proceed to convene such meeting for a date not later than 15 days after the date of such deposit, for so long as the Shares are registered in the Emerging Market or listed on the TPEX or TSE, the requisitionists themselves may convene the extraordinary general meeting in the same manner as provided for under Article 48, as nearly as possible, as that in which general meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors to convene the general meeting shall be reimbursed to them by the Company.
47. If at any time there are no Directors, any Shareholder or Shareholders holding three percent (3%) or more of the total number of the issued Shares of the Company for a period of one (1) consecutive year or a longer time may, for so long as the Shares are registered in the Emerging Market or listed on the TPEX or TSE, convene a general meeting in the same manner as nearly as possible as that in which general meetings may be convened by the Directors.

NOTICE OF GENERAL MEETINGS

48. At least thirty (30) and fifteen (15) days' notices in writing shall be given for any annual and extraordinary general meetings, respectively. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business. The notice for a general meeting may be given by means of electronic communication if the Company obtains prior consent by the individual recipients.
- 48B. For so long as the Shares are registered in the Emerging Market or listed on the TPEX or TSE, the Company shall make public announcements with regard to notice of general meeting, proxy form, and summary information and details about issues for recognition, discussion, election or dismissal of Directors or supervisors (if any) at least thirty (30) days prior to any annual general meeting or at least fifteen (15) days prior to any extraordinary general meeting.



Uploaded: 04-Oct-2016 11:14 EST

Filed: 10-Oct-2016 17:20 EST

Auth Code: H52820938393

If the Company allows the Shareholders to exercise the votes and cast the votes in writing or by way of electronic transmission in accordance with Article 67, the Company shall also send to the Shareholders the information and documents as described in the preceding paragraph, together with the voting right exercise forms.

49. The Board shall prepare a manual setting out the agenda of a general meeting (including all the subjects and matters to be resolved at the meeting) and shall make public announcement(s) in a manner permitted by the Applicable Listing Rules to disclose the contents of such manual together with other information related to the said meeting at least twenty-one (21) days prior to the date of annual general meetings and at least fifteen (15) days prior to the date of extraordinary general meetings. Such manual shall be distributed to all Shareholders attending the general meeting in person, by proxy or by corporate representative(s) (where the Shareholder is a corporation) at the general meeting.
50. The following matters shall be specified in the notice of a general meeting, and shall not be proposed as ad hoc motions:
- (a) election or discharge of Directors or supervisors (if any);
 - (b) amendments to the Memorandum of Association and/or these Articles;
 - (c) dissolution, share swap (as defined in the Applicable Listing Rules), Merger or Spin-off of the Company;
 - (d) entering into, amendment to, or termination of any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;
 - (e) the transfer of the whole or any material part of its business or assets;
 - (f) the takeover of another's whole business or assets, which will have a material effect on the business operation of the Company;
 - (g) the private placement of equity-linked securities;
 - (h) granting waiver to the Director's engaging in any business within the scope of business of the Company;
 - (i) distribution of part or all of its dividends or bonus by way of issuance of new Shares;
 - (j) capitalization of the Legal Reserves and Capital Reserves arising from the share premium account or endowment income, in whole or in part, by issuing new Shares which shall be distributable as dividend shares to the then Shareholders in proportion to the number of Shares being held by each of them;
 - (k) subject to the Law, distribution of the Legal Reserves and Capital Reserves arising from the share premium account or endowment income, in whole or in part, by paying cash to the then Shareholders in proportion to the number of Shares being held by each of them;
 - (l) the transfer of Treasury Shares to its employees by the Company;
 - (m) granting of employee stock options with an exercise price per share: (1) that is lower than the closing price of shares of the Company traded on the Emerging Market, the TPEX or the TSE as of the grant date, or (2) for that is lower than the weighted average trade price for the Company's Common Shares traded on the Emerging Market during the period preceding the price determination date, and lower than the net value per share in the financial reports audited and attested or reviewed by a CPA issued for the most recent period; and
 - (n) issue of restricted shares for employees.



Uploaded: 04-Oct-2016 11:14 EST
Filed: 10-Oct-2016 17:20 EST
Auth Code: H52820938393

Subject to the Law and these Articles, the Shareholders may propose matters in a general meeting to the extent of matters as described in the agenda of such meeting.

PROCEEDINGS AT GENERAL MEETINGS

51. No business shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business. Save as otherwise provided by these Articles, the holders of Shares being more than an aggregate of one-half (1/2) of all Shares in issue present in person or by proxy and entitled to vote shall be a quorum for all purposes.
52. Shareholder(s) holding one percent (1%) or more of the total number of issued Shares immediately prior to the relevant book close period may propose in writing to the Company a proposal for discussion at an annual general meeting. The Company shall give a public notice in such manner as permitted by the Applicable Listing Rules at such time deemed appropriate by the Board specifying the place and a period of not less than ten (10) days for Members to submit proposals. Any Shareholder(s) whose proposal has been submitted and accepted by the Board, shall continue to be entitled to attend the annual general meeting in person or by proxy or in the case of a corporation, by its authorised representative(s), and participate in the discussion of such proposal.

The Board may exclude a proposal submitted by a Shareholder(s) if (i) the number of Shares held by such Shareholder(s) is less than one percent (1%) of the total number of issued Shares in the Register of Members as of the record date determined by the Board or upon commencement of the period for which the Register shall be closed before the general meeting; (ii) the proposal involves matters which cannot be resolved at the annual general meeting in accordance with or under the Applicable Listing Rules; (iii) the proposal submitted concerns more than one matter; or (iv) the proposal is submitted after the expiration of the specified period determined by the Board, in which case, the rejected proposal shall not be discussed at the annual general meeting. The Company shall, prior to the dispatch of a notice of the annual general meeting, inform the Shareholders the result of submission of proposals and list in the notice of annual general meeting the proposals accepted for consideration and approval at the annual general meeting. The Board shall explain at the annual general meeting the reasons for excluding proposals submitted by such Shareholder(s).

53. Subject to the Applicable Listing Rules, the Chairman, if any, of the Board of the Directors shall preside as chairman at every general meeting of the Company convened by the Board of Directors. In case the Chairman is on leave or absent or cannot exercise his/her power and authority for any cause, he/she shall designate one of the other Directors to act on his/her behalf. In the absence of such a designation, the Directors shall elect from among themselves a chairman for such meeting.
54. Subject to the Applicable Listing Rules, for a general meeting convened by any other person having the convening right, such person shall act as the chairman of that meeting; provided that if there are two (2) or more persons jointly having the convening right, the chairman of the meeting shall be elected from those persons.
55. Subject to the Applicable Listing Rules, at any general meeting a resolution put to the vote of the meeting shall be decided on a poll. The number or proportion of the votes in favour of, or against, that resolution shall be recorded in the minutes of the meeting.
56. Unless otherwise expressly required by the Law or these Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Shareholders at any general meeting shall be passed by an Ordinary Resolution.
57. In the case of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Procedural Rules of General Meetings.



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VOTES OF SHAREHOLDERS

58. Subject to these Articles and any rights and restrictions for the time being attached to any Share, every Shareholder and every Person representing a Shareholder by proxy shall have one (1) vote for each Share of which he or the Person represented by proxy is the holder. Subject to the Law and unless otherwise provided for in these Articles, any resolutions at a general meeting of the Company shall be adopted by an Ordinary Resolution.

For so long as the Shares are registered in the Emerging Market or listed on the TPEx or TSE, any Shareholder holding Shares on behalf of another beneficiary Shareholder(s) may exercise his/her voting rights severally in accordance with the request(s) of the respective beneficial Shareholder(s). The qualifications, scopes, exercises, operational procedures and other matters in relation to the aforesaid separate exercise of voting rights shall be conducted in accordance with the Applicable Listing Rules.

59. No vote may be exercised by any Shareholder with respect to any of the following Shares:
- (a) the Treasury Shares held by the Company in accordance with the Law, these Articles and the Applicable Listing Rules;
 - (b) the Shares held by any subordinate company of the Company as defined in the Applicable Listing Rules, where the total number of voting shares or total shares equity held by the Company in such a subordinated company represents more than one-half (1/2) of the total number of voting shares or the total shares equity of such a subordinated company; or
 - (c) the Shares held by another company, where the Company and its subordinated company directly or indirectly hold more than one-half (1/2) of the total number of the voting shares or total shares equity of such company.

Any votes cast by or on behalf of such Shareholder in contravention of the foregoing shall not be counted in the total number of issued shares while calculating the quorum for the purpose of Article 51.

60. In the case of joint holders, the joint holders shall select among them a representative for the exercise of their shareholder's rights and the vote of their representative who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders.
61. A Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote by his committee, or other Person in the nature of a committee appointed by that court, and any such committee or other Person, guardian or any other Person who is similar to guardian and appointed by any court having jurisdiction, may vote by proxy.
62. A Shareholder may appoint a proxy to attend a general meeting on his behalf by executing an instrument in usual or common form or such other form as the Directors may approve, and such proxy form shall be prepared by the Company stating therein the scope of power authorized to the proxy. A Shareholder may only execute one (1) such proxy form and appoint one (1) proxy for each general meeting, and shall serve such written proxy to the Company no later than five (5) days prior to the meeting date. In case the Company receives two (2) or more written proxies from one (1) Shareholder, the first one arriving at the Company shall prevail unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.
- 62B. After a proxy is delivered to the Company, if the Shareholder issuing the proxy intends to attend the general meeting in person or exercise the voting rights in writing or by way of electronic transmission, the Shareholder shall issue a written notice to the Company to revoke the proxy at least two (2) days prior to the general meeting. If the revocation is not made during the prescribed period, the votes casted by the person as proxy shall prevail.



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63. The instrument appointing a proxy shall be in the form approved by the Board 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 Shareholder, proxy recipient and proxy solicitation agent (if any). The form of proxy shall be provided to the Shareholders together with the relevant notice by mail or electronic transmission for the relevant general meeting. Notwithstanding any other provisions of these Articles, the distribution of the notice and proxy materials shall be made to all Shareholders and such distribution, regardless of delivering by email or by electronic transmission, shall be made on the same day.
64. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Shareholder.
65. Except for Taiwan trust enterprises or Shareholders' Service Agencies approved by Taiwan competent authorities or the chairman appointed pursuant to Article 68, when a person who acts as the proxy for two (2) or more Shareholders concurrently, the number of votes represented by him shall not exceed three percent (3%) of the total number of votes of the Company and the portion of votes in excess of the said three percent (3%) represented by such proxy shall not be counted.
66. To the extent required by the Applicable Listing Rules, any Shareholder who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed (the "**Proposed Matters**") for consideration and approval at a general meeting shall abstain from voting any of the Shares that such Shareholder should otherwise be entitled to vote in person, as a proxy or corporate representative with respect to the said matter, but all such Shares shall be counted in the quorum for the purpose of Article 51 notwithstanding that such Shareholder should not exercise his voting right. Any votes cast by or on behalf of such Shareholder in contravention of the foregoing shall not be counted in the number of votes of Shareholders present at the general meeting for the resolution relating to the Proposed Matters by the Company.
67. The voting at the general meeting may be exercised in writing or by way of electronic transmission; provided, however, that except otherwise provided in the Applicable Listing Rules, for so long as the Shares are listed on the TPEX or TWSE, the Company must adopt electronic voting as one of the voting methods in the general meeting. If the Board resolves to hold a general meeting outside Taiwan, the Company must allow the Shareholders to exercise the votes and cast the votes in writing or by way of electronic transmission.
68. Whenever the voting at the general meeting is exercised in writing or by way of electronic transmission, the method for exercising the votes shall be described in the notice of the general meeting. A Shareholder who exercises his votes in writing or by way of electronic transmission as set forth in the preceding Article 67 shall be deemed to have appointed the chairman of the general meeting as his or her proxy to exercise his or her voting right at such general meeting in accordance with the instructions stipulated in the written or electronic document, but shall be deemed to have waived his votes in respective of any ad hoc motions and the amendments to the contents of the original proposals at such general meeting; provided, however, that such appointment shall be deemed not to constitute the appointment of a proxy for the purposes of the Applicable Listing Rules. The chairman, acting as proxy of a Shareholder, shall not exercise the voting right of such Shareholder in any way not stipulated in the written or electronic document.

For so long as the Shares are registered in the Emerging Market or listed in the TPEX or TSE, where a general meeting is to be held outside Taiwan, the Company shall engage a designated institute (i.e., Shareholders' Service Agent located in Taiwan) approved by the Commission and the TPEX or the TSE to handle the administration of such general meeting (including but not limited to the voting for Shareholders of the Company).

69. A Shareholder shall submit his or her vote by way of written ballot or electronic transmission pursuant to Article 67 to the Company at least two (2) days prior to the scheduled meeting



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date of the general meeting; whereas if two (2) or more such written ballot or electronic transmission are submitted to the Company, the proxy deemed to be given to the chairman of the general meeting pursuant to Article 68 by the first written ballot or electronic transmission shall prevail unless it is expressly included in the subsequent vote by written ballot or electronic transmission that the original vote submitted by written ballot or electronic transmission be revoked.

70. In case a Shareholder who has submitted his votes by written ballot or electronic transmission intends to attend the general meeting in person, he shall, at least two (2) days prior to the date of the meeting revoke such vote by written ballot or electronic transmission and such revocation shall constitute a revocation of the proxy deemed to be given to the chairman of the general meeting pursuant to Article 68. If a Shareholder who has submitted his or her vote in writing or by way of electronic transmission pursuant to Article 67 does not submit such a revocation before the prescribed time, his or her vote by written ballot or electronic transmission and the proxy deemed to be given to the chairman of the general meeting pursuant to Article 68 shall prevail.

If a Shareholder has submitted his or her vote in writing or by way of electronic transmission pursuant to Article 67, and has subsequently submitted a proxy appointing a person as his or her proxy to attend the general meeting on his or her behalf, the subsequent appointment of that person as his or her proxy shall be deemed to be a revocation of such Shareholder's deemed appointment of the chairman of the general meeting as his or her proxy pursuant to Article 68 and the vote casted by that person subsequently appointed as his or her proxy shall prevail.

71. In case the procedure for convening a general meeting or the method of adopting resolutions is in violation of the Law, Applicable Listing Rules or these Articles, a Shareholder may, within thirty (30) days from the date of the resolution, submit a petition to a competent court having proper jurisdiction, including, the Taipei District Court of the Republic of China if applicable, for revocation of such resolution.

PROXY AND PROXY SOLICITATION

72. For so long as the Shares are registered in the Emerging Market or listed in the TPEX or the TSE, the Company shall comply with the Applicable Listing Rules (including but not limited to the "Guidelines Governing the Utilization of Proxy for Shareholders Meetings of Public Companies") in respect of the proxies and proxy solicitation.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

73. Any corporation which is a Shareholder or a Director may by resolution of its directors or other governing body authorise such Person as it thinks fit to act as its representative at any meeting of the Company or of any meeting of holders of a Class or of the Board of Directors or of a committee of Directors, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder or Director.

DIRECTORS

74. Unless otherwise determined by the Company in general meeting, the number of Directors shall be no less than five (5) Directors with a maximum of nine (9) Directors. Amongst the Board of Directors, the Company shall have at least three (3) Independent Directors, and the Independent Directors shall account for at least one-fifth (1/5) of the total number of Directors. At least one (1) of the Independent Directors must be domiciled in Taiwan. For so long as the Shares are listed on the TPEX or the TSE, the Directors shall include such number of Independent Directors as applicable law, rules or regulations or the Applicable Listing Rules require for a foreign issuer. The qualification, formation, appointment, discharge, exercise of authority and other compliance of Directors and Independent Directors shall be subject to and governed by the Applicable Listing Rules.



Uploaded: 04-Oct-2016 11:14 EST

Filed: 10-Oct-2016 17:20 EST

Auth Code: H52820938393

Where any Shareholder is a corporate entity, its representative may be elected as Director or supervisor (if any). Where there are several representatives of any corporate Shareholder, such representatives may be elected as either Directors or supervisors (if any) but not as Director and supervisors (if any) concurrently.

75. Independent Directors shall possess professional knowledge and maintain independence within the scope of their directorial duties without having any direct or indirect interest in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence of Independent Directors, method of nomination of Independent Directors, and other matters in relation to Independent Directors shall be subject to the Applicable Listing Rules.

When the number of Independent Directors falls below the required number of Independent Directors under these Articles or the Applicable Listing Rules due to the disqualification or resignation of an Independent Director or the Independent Director ceases to be a Director for any reason, the vacancy of such Independent Director shall be filled and elected at the next following general meeting. When all of the Independent Directors have been disqualified, resigned or cease to be Directors for any reason, an extraordinary general meeting shall be convened within sixty (60) days of the occurrence of that fact to elect Independent Directors.

76. Unless otherwise permitted by TPEX or TSE and under the Applicable Listing Rules, a spousal relationship and/or a Family Relationship within the Second Degree of Kinship shall not exist among more than half (1/2) of the Directors (the "**Threshold**").

Where the Directors elected at the general meeting do not meet the Threshold, the election of the Director receiving the lowest number of votes among those not meeting the Threshold shall be deemed null and void. If any of the existing Directors does not meet the Threshold, such Director in office shall be discharged immediately and automatically.

77. When the number of Directors falls below five (5) due to the disqualification or resignation of a Director or any Director ceases to be a Director of the Company for any reason, the Company shall hold an election to elect substitute director(s) at the next following general meeting. When the number of Directors falls short by one-third (1/3) of total number of Directors elected at the previous general meeting convened to elect Directors and notwithstanding the actual current number of Directors, an extraordinary general meeting shall be convened within sixty (60) days of the occurrence of that fact to hold an election of Directors.

If it is resolved at a general meeting held prior to the expiration of the term of the current Directors that all Directors shall be re-elected with effect immediately after the adoption of such resolution (the "**Re-Election**"), unless otherwise resolved at such general meeting, the term of the existing Directors shall be deemed to have expired immediately prior to the Re-Election. The aforesaid re-election of all Directors shall be held in the general meeting attended by Shareholders representing more than fifty percent (50%) of total issued Shares of the Company.

78. The general meeting of the Shareholders may appoint any natural person or corporation to be a Director or supervisors (if any). At a general meeting of election of Directors or supervisors (if any), the number of votes exercisable in respect of one (1) Share shall be the same as the number of Directors or supervisors (if any) to be elected, and the total number of votes per Share may be consolidated for election of one (1) candidate or may be split for election of two (2) or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a Director or supervisor (if any) so elected.

79. For so long as the Shares are registered in Emerging Market or listed on the TPEX or TSE, subject to the Applicable Listing Rules, the Company shall adopt a candidate nomination mechanism for the purpose of the appointment and election of Directors (including the Independent Directors) or supervisors (if any) in accordance with the Applicable Listing Rules and (i) the Directors (excluding the Independent Directors) or supervisors (if any) shall only be elected and approved by the Shareholders from the list of candidates for Directors (excluding the Independent Directors) and supervisors (if any); and (ii) the Independent Directors shall only be elected and approved by the Shareholders from the list of candidates for Independent



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Filed: 10-Oct-2016 17:20 EST
Auth Code: H52820938393

Directors. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Guidelines Governing Election of Directors.

80. Subject to these Articles, the term for which a Director and supervisor (if any) will hold office shall not exceed three (3) years; thereafter he/she may be eligible for re-election. In case no election of new Directors or supervisors (if any) is effected after expiration of the term of office of the existing Directors or supervisors (if any), the term of office of such Directors or supervisors (if any) shall be extended until the time new Directors or supervisors (if any) are elected and assume their office.
81. A Director may be discharged at any time by either a Supermajority Resolution Type A or a Supermajority Resolution Type B adopted at a general meeting. If a Director is discharged during the term of his/her office as a director without good cause, such Director may make a claim against the Company for any and all damages sustained by him/her as a result of such discharge.
82. The Board of Directors shall have a Chairman (the "**Chairman**") elected and appointed by a majority of the Directors present at the Board meeting the quorum of which shall be two-thirds of all of the Directors then in office.
- 82B. For so long as the Shares are registered in the Emerging Market or listed in the TPEX or TSE, subject to the Applicable Listing Rules, any Director or supervisor (if any), who, during his or her term and in one or more transactions, transfers more than fifty percent (50%) of the total Shares held by such Director or supervisor (as the case may be) at the time of his or her appointment or election as Director or supervisor (as the case may be) being approved at a general meeting (the "**Approval Time**"), shall be discharged or vacated from the office of Director or supervisor (as the case may be).

For so long as the Shares are registered in the Emerging Market or listed in the TPEX or TSE, subject to the Applicable Listing Rules, if any person transfers, in one or more transactions, more than fifty percent (50%) of the Shares held by him or her at the Approval Time either (i) during the period from the Approval Time to the commencement date of his or her office as Director or supervisor (if any), or (ii) during the period when the Register is closed for transfer of Shares prior to the general meeting at which the appointment or election of such person as a Director or supervisor (if any) will be proposed, his or her appointment or election as Director or supervisor (if any) shall be null and void.

83. The Board may, from time to time, and except as required by the applicable laws and Applicable Listing Rules, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives, which shall be intended to set forth the policies of the Company and the Board on various corporate governance related matters as the Board shall determine by resolution from time to time.
84. A Director shall not be required to hold any Shares in the Company by way of qualification.
- 84B. For so long as the Shares are registered in the Emerging Market or listed in the TPEX or TSE, subject to the Applicable Listing Rules, where any Director, who is also a Shareholder of the Company, creates or has created a pledge on the Shares held by such Director (the "**Pledged Shares**") exceeding fifty percent (50%) of total Shares held by such Director at the time of his/her appointment as Director being approved at a general meeting, such Director shall refrain from exercising its voting rights on the Shares representing the difference between the Pledged Shares and fifty percent (50%) of total Shares held by such Director at the time of his/her appointment as Director being approved at a general meeting, and such Shares shall not be counted toward the number of votes represented by the Shareholders present at a general meeting.

DIRECTORS' FEES AND EXPENSES

85. Unless otherwise stipulated in these Articles or the Applicable Listing Rules, the remuneration (if any) of the Directors is subject to resolution by the Board of Directors in accordance with the standard prevalent in the industry. Each Director shall be entitled to be repaid or prepaid



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Filed: 10-Oct-2016 17:20 EST
Auth Code: H52820938393

all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by him in attending meetings of the Board or committees of the Board or general meetings or separate meetings of any class of Shares or of debentures of the Company or otherwise in connection with the discharge of his duties as a Director.

86. Subject to Article 85, any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Article.
- 86B. The Company shall establish a salaries and remuneration committee, and the professional qualifications of members, formation, appointment, discharge, how such committee functions and exercises its power and other relevant matters shall be subject to the Applicable Listing Rules. The salaries and remunerations in the preceding paragraph include the salaries and remunerations and stock options and other measures providing substantial incentives for Directors and managers.

ALTERNATE

87. Subject to the Applicable Listing Rules, any Director may appoint another Director to be his or her alternate and to act in such Director's place at any Board meeting. Every such alternate Director shall be entitled to attend and vote at the Board meeting as the alternate of the Director appointing him or her and where he or she is a Director to have a separate vote in addition to his or her own vote.
88. Subject to the Applicable Listing Rules, the appointment of the alternate Director referred in the preceding article shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such appointment is to be used, or first used, prior to the commencement of the Board meeting.

POWERS AND DUTIES OF DIRECTORS

89. At the close of each financial year, the Board of Directors shall prepare the business report, financial statements and the surplus earning distribution and/or loss offsetting proposals for adoption by the annual general meeting, and upon such adoption by the annual general meeting, distribute or make public announcements to each Shareholder copies of adopted financial statements and the resolutions on the surplus earning distribution and/or loss offsetting in accordance with these Articles and the Applicable Listing Rules. For so long as the Shares are registered in the Emerging Stock Market or listed in the TPEX or the TSE, alternatively, the distribution of the aforesaid adopted financial statements and the resolutions on the surplus earning distribution and/or loss offsetting may be accomplished by way of making public announcements by the Company.
90. Subject to the Law, these Articles, Applicable Listing Rules and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company.
91. The Directors may from time to time appoint any Person (exclusive of any Independent Directors), whether or not a Director to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, the office of the chief executive officer, president, one (1) or more vice-presidents or chief financial officer, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Notwithstanding the foregoing, if any Directors hold either of the above positions, the relevant remuneration shall be subject to Article 85. Any Person so appointed by the Directors may be removed by the Directors.



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Filed: 10-Oct-2016 17:20 EST
Auth Code: H52820938393

92. The Directors may appoint a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors.
93. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.
94. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any company, firm or Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to delegate all or any of the powers, authorities and discretion vested in him.
95. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the two next following Articles shall not limit the general powers conferred by this Article.
96. The Directors from time to time and at any time may establish any committees for managing any of the affairs of the Company (including but not limited to remuneration committee), and unless otherwise provided in the Applicable Listing Rules, the members of such committees shall be Directors. Where any Director holds above position, the relevant remuneration shall be subject to Article 85.
97. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.
- 97B. Subject to the Cayman Islands law and the Applicable Listing Rules, any Director shall owe fiduciary duties to the Company and such fiduciary obligations shall include but not limited to the observance of general standards of loyalty, good faith and the avoidance of a conflict of duty and self-interest. If any Director breaches the aforesaid fiduciary duties, subject to the Cayman Islands law and the Applicable Listing Rules, such Director shall be held liable for any damages therefrom.

Subject to the Cayman Islands law and the Applicable Listing Rules, if any Director violates the aforesaid fiduciary duties for him/herself or another person, it may be resolved at the general meeting to deem any income from such behaviour as the Company's income.

If any Director breaches any applicable laws or regulations in performing business for the Company, therefore causing any loss or damage to third party, subject to the Cayman Islands law and the Applicable Listing Rules, such Director shall be held jointly and severally liable for the loss or damage to such third party with the Company. In this connection, such Director shall indemnify the Company for any loss or damage incurred by the Company to third party.

Subject to Cayman Islands law and the Applicable Listing Rules, to the extent of the scope of their respective duties, the officers and the supervisors (if any) of the Company shall bear the liability identical to that applicable to Directors pursuant to the preceding paragraphs of this Article.

BORROWING POWERS OF DIRECTORS

98. Subject to these Articles and the Applicable Listing Rules, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.



Uploaded: 04-Oct-2016 11:14 EST

Filed: 10-Oct-2016 17:20 EST

Auth Code: H52820938393

THE SEAL

99. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary (or an assistant Secretary) or in the presence of any one (1) or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.
100. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal.
101. Notwithstanding the foregoing, a Secretary or any assistant Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

DISQUALIFICATION OF DIRECTORS

102. A person shall not act as a Director and shall be discharged or vacated from the office of Director, if he or she:
- (a) committed an organized crime and 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 (5) years;
 - (b) has been sentenced to imprisonment for a term of more than one (1) year for commitment of fraud, breach of trust or misappropriation, and the time elapsed after he has served the full term of such sentence is less than two (2) years;
 - (c) has been adjudicated guilty by a final judgment for misappropriating company or 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 (2) years;
 - (d) becomes bankrupt and has not been discharged from bankruptcy;
 - (e) has been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet;
 - (f) has no or only limited legal capacity;
 - (g) dies or is found to be or becomes of unsound mind;
 - (h) resigns his office by notice in writing to the Company; or
 - (i) is removed from office and ceases to be the Director pursuant to these Articles.
103. In case a Director has, in the course of performing his/her duties, committed any act resulting in material damage to the Company or in serious violation of applicable laws and regulations and these Articles, but not been discharged or removed by a resolution of the general meeting, any Shareholder(s) holding three percent (3%) or more of the total number of issued Shares may, within thirty (30) days after that general meeting, submit a petition to a competent court having proper jurisdiction, including, the Taipei District Court of the Republic of China if applicable, in respect of such matter, for the removal of such Director, at the Company's expense.



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Filed: 10-Oct-2016 17:20 EST

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PROCEEDINGS OF DIRECTORS

104. The Directors may meet together (either within or outside the Cayman Islands) for the dispatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes present at such meeting. In case of an equality of votes the chairman shall not have a second or casting vote. The notice of the Board meeting shall state the reasons for such meeting and shall be given to each Director at least seven (7) days prior to the meeting via mail or electronic transmission; however the Board meeting may be convened from time to time in case of any emergency in accordance with the Applicable Listing Rules. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Procedural Rules of Board Meetings.
105. A Director may participate in any meeting of the Board of Directors, or of any committee appointed by the Board of Directors of which such Director is a member, by means of videoconference or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.
106. Unless otherwise provided in these Articles, the quorum necessary for the transaction of the business of the Directors shall be more than one-half (1/2) of the Directors. A Director represented by alternate Director at any Board meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.
107. A Director who directly or indirectly has personal interest in the matter proposed at the meeting of the Board, including but not limited to a contract or proposed contract or arrangement with the Company shall disclose the nature of his or her personal interest at the meeting of the Board, if he or she knows his or her personal interest then exists, or in any other case at the first meeting of the Board after he or she knows that he or she is or has become so interested. For the purposes of this Article, a general notice to the Board by a Director to the effect that:
- (a) he is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or
 - (b) he is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him;

shall be deemed to be a sufficient disclosure of personal interest under this Article in relation to any such contract or arrangement, provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

To the extent required by Applicable Listing Rules, a Director may not vote for himself or on behalf of other Director in respect to any matter, including but not limited to any contract or proposed contract or arrangement or contemplated transaction of the Company, in which such Director bears a personal interest (whether directly or indirectly) which may conflict with and impair the interest of the Company. Any votes cast by or on behalf of such Director in contravention of the foregoing shall not be counted by the Company, but such Director shall be counted in the quorum for purposes of convening such meeting.

Notwithstanding the first paragraph of this Article, if any Director has personal interest (whether directly or indirectly) in matters on agenda for the Board meeting, such Director shall disclose and explain the material information or contents on such personal interest at the same Board meeting.

108. A Director (exclusive of any Independent Directors) who does anything for himself or on behalf of another person that is within the scope of the Company's business shall declare the essential contents of such behaviour to the general meeting of the Shareholders and be approved by either a Supermajority Resolution Type A or a Supermajority Resolution Type B.



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Failure in obtaining such approval shall cause the Director being so interested be liable to account to the Company for any profit realised by any such behaviour if the general meeting so resolves by an Ordinary Resolution within one (1) year from such behaviour.

109. Notwithstanding the preceding Articles, subject to the Applicable Listing Rules, a Director (exclusive of any Independent Directors) may hold any other office or place of profit under the Company (other than the office of internal auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.
110. Subject to these Articles and the Applicable Listing Rules, any Director (exclusive of any Independent Directors) may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as internal auditor to the Company.
111. The Directors shall cause all minutes to be made in books or loose-leaf folders provided for the purpose of recording:
 - (a) all appointments of officers made by the Directors;
 - (b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and
 - (c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.
112. Subject to the Applicable Listing Rules, when the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held.
113. Subject to the Applicable Listing Rules, the continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for summoning a general meeting of the Company, but for no other purpose.
114. Subject to the Applicable Listing Rules and any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the committee members present may choose one (1) of their number to be chairman of the meeting.
115. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to the Applicable Listing Rules and any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present.
116. Subject to the Applicable Listing Rules and any regulations imposed on it by the Directors, all acts done by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director.
117. The following actions require the approval of a majority of the votes of the Directors present at a Board meeting attended by at least two-thirds (2/3) of all Directors:



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Filed: 10-Oct-2016 17:20 EST

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- (a) entering into, amendment to, or termination of any contract for lease of its business in whole, or for entrusted business, or for regular joint operation with others;
- (b) the sale or transfer of the whole or any material part of its business or assets;
- (c) taking over the transfer of another's whole business or assets, which will have a material effect on the business operation of the Company;
- (d) the election of Chairman of the Board pursuant to these Articles;
- (e) the allocation of Employees' Remunerations and Directors' Remunerations pursuant to Article 129; and
- (f) issuance of corporate bonds.

AUDIT COMMITTEE

118. The Company shall set up an Audit Committee, and the professional qualifications of members, formation, appointment, discharge, how such committee functions and exercises its power and other relevant matters shall be subject to the Applicable Listing Rules. The Audit Committee shall comprise solely of all Independent Directors and the number of committee members shall not be less than three (3). One (1) of the Audit Committee members shall be appointed as the convener to convene meetings of the Audit Committee from time to time and at least one (1) of the Audit Committee members shall have accounting or financial expertise. A valid resolution of the Audit Committee requires approval of one-half (1/2) or more of all its members.
119. Notwithstanding anything provided to the contrary contained in these Articles, the following matters require approval of one-half (1/2) or more of all members of the Audit Committee and final approval of the Board:
- (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, provision or extension of monetary loans to others, or endorsements or guarantees for others;
 - (d) any matter relating to the personal interest of the Directors;
 - (e) the entering into of a transaction relating to material assets or derivatives; ;
 - (f) a material monetary loan, endorsement, or provision of guarantee;
 - (g) the offering, issuance, or private placement of the Shares or any equity-linked securities;
 - (h) the hiring or dismissal of an attesting certified public accountant as the auditor of the Company, or the compensation given thereto;
 - (i) the appointment or discharge of a financial, accounting, or internal auditing officers;
 - (j) approval of annual and semi-annual financial reports; and
 - (k) any other material matter deemed necessary by the Board of Directors or so required by Applicable Listing Rules or the competent authority.



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Subject to the Applicable Listing Rules, with the exception of item (j) above, any other matter that has not been approved with the consent of one-half (1/2) or more of all Audit Committee members may be undertaken upon the consent of two-thirds (2/3) or more of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.

Subject to the Applicable Listing Rules, where the Audit Committee is unable to convene a meeting for any proper cause, matters may be approved by consent of two-thirds (2/3) or more of all Directors, provided that the Independent Director members shall still be required to issue an opinion as to whether the resolution is approved in respect of a matter under item (j) above.

120. The accounts of the Company shall be audited at least once in every year.
121. The Audit Committee shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto; and the Audit Committee may call on the Directors or officers of the Company for any information in their possession relating to the books or affairs of the Company.
122. The statement of income and expenditure and the balance sheet provided for by these Articles shall be examined by the Audit Committee and compared with the books, accounts and vouchers relating thereto; and the Audit Committee shall make a written report thereon stating whether such statement and balance sheet are drawn up so as to present fairly the financial position of the Company and the results of its operations for the period under review and, in case information shall have been called for from Directors or officers of the Company, whether the same has been furnished and has been satisfactory. The Audit Committee may appoint, on behalf of the Company, a practicing lawyer and a certified public accountant to conduct the examination. The financial statements of the Company shall be audited by an auditor appointed by the Board in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the Members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the auditor should disclose this fact and name such country or jurisdiction.
123. Subject to the Cayman Islands law, any Shareholder(s) holding three percent (3%) or more of the total number of the issued Shares of the Company for one (1) consecutive year or longer may request in writing any Independent Director of the Audit Committee to file a litigation against any Director or Directors on behalf of the Company with a competent court having proper jurisdiction, including Taipei District Court of the Republic of China.

If the Independent Director of the Audit Committee who has been requested by such Shareholder(s) in accordance with the previous paragraph fails or refuses to file such litigation within thirty (30) days after receiving the request by such Shareholder(s), subject to Cayman Islands law, such Shareholder(s) may file such litigation on behalf of the Company with a competent court having proper jurisdiction, including Taipei District Court of the Republic of China.

124. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Rules of Audit Committee.

DIVIDENDS

125. Subject to the Law, any rights and restrictions for the time being attached to any Shares and these Articles, the Company by Ordinary Resolution may declare dividends and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.
126. Subject to Article 129, the Directors may, before recommending any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the discretion of the Directors be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may



Uploaded: 04-Oct-2016 11:14 EST

Filed: 10-Oct-2016 17:20 EST

Auth Code: H52820938393

be properly applied and pending such application may in the absolute discretion of the Directors, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit.

127. Any dividend may be paid by cheque sent through the post to the registered address of the Shareholder or Person entitled thereto, or in the case of joint holders, to the representative of such joint holders at his registered address or to such Person and such address as the Shareholder or Person entitled, or such joint holders as the case may be, may direct. Every such cheque shall be made payable to the order of the Person to whom it is sent or to the order of such other Person as the Shareholder or Person entitled, or such joint holders as the case may be, may direct.
128. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the number of the Shares held by the Shareholders.
129. As the Company continues to grow, the need for capital expenditure, business expansion and a sound financial planning for sustainable development, it is the Company's dividends policy that the dividends may be allocated to the Shareholders in the form of cash dividends and/or bonus shares according to the Company's future expenditure budgets and funding needs.

Unless otherwise provided in the Applicable Listing Rules, where the Company makes profits before tax for the annual financial year, the Company shall allocate (1) at least one percent (1%) of such annual profits before tax for the purpose of employees' remunerations (including employees of the Company and/or any Affiliated Company) (the "**Employees' Remunerations**"); and (2) at most three percent (3%) of such annual profits before tax for the purpose of Directors' remunerations (the "**Directors' Remunerations**"). Notwithstanding the foregoing paragraph, if the Company has accumulated losses of the previous years for the annual financial year, the Company shall set aside the amount of such accumulated losses prior to the allocation of Employees' Remunerations and Directors' Remunerations. Subject to Cayman Islands law and notwithstanding Article 139, the Employees' Remunerations may be distributed in the form of cash and/or bonus shares, and the Directors' Remunerations may be distributed in the form of cash, upon resolution by a majority votes at a meeting of the Board of Directors attended by two-thirds (2/3) or more of the Directors. The resolutions of Board of Directors regarding the distribution of the Employees' Remunerations and the Directors' Remunerations in the preceding paragraph shall be reported to the Shareholders at the general meeting after such Board resolutions are passed.

Unless otherwise provided in the Applicable Listing Rules, the net profits of the Company for each annual financial year shall be allocated in the following order and proposed by the Board of Directors to the Shareholders in the general meeting for approval:

- (a) to make provision of the applicable amount of income tax pursuant to applicable tax laws and regulations;
- (b) to set off cumulative losses of previous years (if any);
- (c) to set aside ten percent (10%) as Legal Reserve pursuant to the Applicable Listing Rules unless the accumulated amount of such Legal Reserve equals to the total paid-up capital of the Company;
- (d) to set aside an amount as Special Reserve pursuant to the Applicable Listing Rules and requirements of the Commission; and
- (e) with respect to the earnings available for distribution (i.e. the net profit after the deduction of the items (a) to (d) above plus any previously undistributed cumulative Retained Earnings), the Board of Directors may present a proposal to distribute to the Shareholders by way of dividends at the annual general meeting for approval pursuant to the Applicable Listing Rules. Dividends may be distributed in the form of cash dividends and/or bonus shares, and, subject to Cayman Islands law, the amount of dividends shall be at least ten percent (10%) of the net profit after the deduction of the items (a) to (d) above. Cash dividends shall comprise a minimum of ten percent (10%)



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Filed: 10-Oct-2016 17:20 EST

Auth Code: H52820938393

and a maximum of one hundred percent (100%) of the total dividends allocated to Shareholders.

130. If several Persons are registered as joint holders of any Share, any of them may give effectual receipts for any dividend or other moneys payable on or in respect of the Share. No dividend shall bear interest against the Company.

ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION

131. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.
132. The books of account shall be kept at the Office or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
133. The Board of Directors shall prepare and submit the business reports, financial statements and records to the annual general meeting of Shareholders for its ratification and after the meeting shall distribute to each Shareholder the copies of ratified financial statements and the resolutions on the surplus earning distribution and/or loss offsetting. For so long as the Shares are registered in the Emerging Stock Market or listed in the TPEx or the TSE, alternatively, the distribution of the aforesaid adopted financial statements and the resolutions on the surplus earning distribution and/or loss offsetting may be accomplished by way of making public announcements by the Company.
134. Subject to the Applicable Listing Rules, the Board shall keep copies of the yearly business report, financial statements and other relevant documents at the office of its Shareholders' Service Agent in Taiwan ten (10) days before the annual general meeting and any of its Shareholders is entitled to inspect such documents from time to time.
135. Save for the preceding Article 134 and Article 148, the Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.
136. The accounts relating to the Company's affairs shall only be audited in such manner and with such financial year end as may be determined from time to time by the Directors, or required by the Applicable Listing Rules.
137. The Directors in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

INTERNAL AUDIT

138. The Company shall set up internal audit unit under the Board of Directors, and hire qualified and adequate staffs as internal auditors. Any matters in relation to the internal audit shall comply with the Applicable Listing Rules.

CAPITALISATION OF RESERVES

139. Subject to the Applicable Listing Rules and the Law, the Company may, with the authority of either a Supermajority Resolution Type A or a Supermajority Resolution Type B:
- (a) resolve to capitalise an amount standing to the credit of reserves or other capital reserves (including a share premium account, capital redemption reserve, revenue, profit and loss account, Capital Reserves, Legal Reserves and Special Reserves), whether or not available for distribution;



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Filed: 10-Oct-2016 17:20 EST
Auth Code: H52820938393

- (b) appropriate the sum resolved to be capitalised to the Shareholders in proportion to the number of Shares held by them respectively and apply that sum on their behalf in or towards paying up in full unissued Shares or debentures of a nominal amount equal to that sum, and allot the Shares or debentures, credited as fully paid, to the Shareholders (or as they may direct) in those proportions, or partly in one way and partly in the other;
- (c) make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit; and
- (d) generally do all acts and things required to give effect to any of the actions contemplated by these Articles.

139B. For the avoidance of doubts, the allotment of bonus shares in connection with the Employees' Remunerations pursuant to Article 129 shall not require the approval of a Supermajority Resolution Type A or a Supermajority Resolution Type B.

TENDER OFFER

140. For so long as the Shares of the Company are registered in the Emerging Market and/or listed in the TPEx or TSE, subject to the Applicable Listing Rules, within seven (7) days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its litigation or non-litigation agent appointed pursuant to the Applicable Listing Rules, the Board of the Directors shall resolve to recommend to the Shareholders whether to accept or object to the tender offer and make a public announcement of the following:

- (a) The types and amount of the Shares held by the Directors and the Shareholders holding more than ten percent (10%) of the outstanding Shares held in its own name or in the name of other persons.
- (b) Recommendations to the Shareholders on the tender offer, which shall set forth the names of the Directors who abstain or object to 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 Shareholders holding more than ten percent (10%) of the outstanding Shares held in its own name or in the name of other persons.

SHARE PREMIUM ACCOUNT

141. The Directors shall in accordance with the Law establish a share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.

142. Subject to the Applicable Listing Rules and the Law, there shall be debited to any share premium account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Law, out of capital.



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Filed: 10-Oct-2016 17:20 EST

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NOTICES

143. Except as otherwise provided in these Articles or the Applicable Listing Rules, any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by facsimile, or by sending it through the post in a prepaid letter or via a recognised courier service, fees prepaid, addressed to such Shareholder at his address as appearing in the Register, or to the extent permitted by all applicable laws and regulations, by electronic means by transmitting it to any electronic mail number or address such Shareholder may have positively confirmed in writing for the purpose of such service of notices. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands as their representative in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.
144. Any Shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.
145. Except as otherwise provided in these Articles or the Applicable Listing Rules, any notice or other document, if served by:
- (a) post or courier, shall be deemed to have been served five (5) days after the time when the letter containing the same is posted or delivered to the courier;
 - (b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;
 - (c) recognised courier service, shall be deemed to have been served forty-eight (48) hours after the time when the letter containing the same is delivered to the courier service; or
 - (d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

146. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.
147. Notice of every general meeting of the Company shall be given to:
- (a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and
 - (b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.



Uploaded: 04-Oct-2016 11:14 EST

Filed: 10-Oct-2016 17:20 EST

Auth Code: H52820938393

INFORMATION

148. The Board shall keep at the office of its Shareholders' Service Agent in Taiwan copies of the Memorandum of Association and Articles of Association, the minutes of every general meeting, the financial statements, the Register of Members and the counterfoil of corporate bonds issued by the Company. Any Shareholder may request, by submitting evidentiary document(s) to show his/her interests involved and indicating the scope of interested matters, an access to inspect and to make copies of the foresaid Memorandum of Association and Articles of Association, the minutes of every general meeting, the financial statements, the Register of Members and the counterfoil of the corporate bonds issued by the Company.
149. Without prejudice to the rights set forth in these Articles, no Shareholder shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the members of the Company to communicate to the public.
150. The Board shall be entitled to release or disclose to any regulatory or judicial authority any information in its possession, custody or control regarding the Company or its affairs to any of its Shareholder including, without limitation, information contained in the Register of Members and transfer books of the Company.

INDEMNITY OR INSURANCE

151. The Company may by Ordinary Resolution adopt one (1) of the protection mechanisms as described in Article 152 (a) and (b).
152. (a) Every Director and other officer for the time being and from time to time of the Company (each an "**Indemnified Person**") may be indemnified and secured harmless out of the assets and funds of the Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere.
- (b) The Company may purchase directors and officers liability insurance ("**D&O insurance**") for the benefit of every Director and other officer for the time being and from time to time of the Company. Such D&O insurance shall only cover the liability arising from the duty of such Director or officer in accordance with these Articles, the Law and the Applicable Listing Rules. The Board is hereby authorized to handle all matters in relation to the D&O insurance.

FINANCIAL YEAR

153. Unless the Directors otherwise prescribe, the financial year of the Company shall end on December 31st in each year and shall begin on January 1st in each year.

WINDING- UP

154. If the Company shall be wound up, and the assets available for distribution amongst the Shareholders shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Shareholders in proportion to the number of the Shares held by them. If in a winding up the assets available for distribution amongst the Shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Shareholders in proportion to the number of the Shares held by them at the commencement of the winding up. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.



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155. If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Law and in compliance with the Applicable Listing Rules, divide amongst the Shareholders in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different Classes. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Shareholders as the liquidator, with the like sanction shall think fit, but so that no Shareholder shall be compelled to accept any asset whereon there is any liability.
156. The Company shall keep all statements, records of account and documents for a period of ten years from the date of the completion of liquidation, and the custodian thereof shall be appointed by the liquidator or the Company by Ordinary Resolution.

AMENDMENT OF ARTICLES OF ASSOCIATION

157. Subject to the Law and the Articles, the Company may at any time and from time to time by Special Resolution alter or amend the Memorandum of Association and/or these Articles in whole or in part.

LITIGIOUS AND NON-LITIGIOUS AGENT

158. For so long as the Shares are registered in the Emerging Market or listed on the TPEX or TSE, subject to the Applicable Listing Rules, the Company shall appoint a litigious and non-litigious agent in Taiwan (the "**Litigious and Non-Litigious Agent**"). The Litigious and Non-Litigious Agent shall be the responsible person of the Company in Taiwan and shall have residence or domicile in Taiwan. The Company shall report to the Commission in respect of the name, residence or domicile and authorization document of the Litigious and Non-Litigious Agent. In case of any change of the name, residence or domicile and authorization document of the Litigious and Non-Litigious Agent, the Company shall report to the Commission in respect of such change.



Uploaded: 04-Oct-2016 11:14 EST

Filed: 10-Oct-2016 17:20 EST

Auth Code: H52820938393

Tanvex BioPharma, Inc.

Shareholdings of All Board Directors

1. As of April 17, 2017, Current 3rd term Board Directors shareholdings and legal shareholdings are as follows:

Common shares issued: **193,253,703** shares
 Legal minimum holding of all directors in number of shares: **11,595,222** shares

2. As of April 17, 2017, all Board members' shareholdings are as follows:

Record Date: April 17, 2017

Title	Name	Shareholding as of Record Date	
		Number of Shares	Shareholding %
Chairman	Peng-Lin Investment Limited Representative : Chen, Chi-Chuan	70,816,999	36.64
Director	Peng-Lin Investment Limited Representative: Cho, Lung-Yeh		
Director	Allen Chao and Lee Hwa Chao Family Trust Representative: Allen Chao	17,013,022	8.80
Director	Hsia Family Trust Representative : David Hsia	2,442,430	1.26
Director	Delos Capital Fund, LP Representative : Chen, Henry Lin	14,400,000	7.45
Director	Yen, Yun	273,748	0.14
Independent Director	Tsai, Jin-Pau	0	0
Independent Director	Chang, Lee-Chiou	0	0
Independent Director	Shih, Chuan	0	0
Total		104,946,199	54.29

Note 1: Independent directors' holdings are excluded from total shareholding calculation.

Note 2: The limitation on supervisors' holdings is not applicable as the Company has setup the Audit Committee.

