

Stock Code 6541



2018 Annual General Shareholders' Meeting

Meeting Handbook

Wednesday, 10:00am, June 13, 2018

Banquet Hall C, FARGLORY FICC, 4F, No.99, Sec. 1, Xintai 5th Rd., Xishi Dist., New Taipei City

DISCLAIMER:

THIS ENGLISH HANDBOOK FOR 2018 ANNUAL GENERAL SHAREHOLDERS' MEETING IS TRANSLATED FROM THE CHINESE VERSION EXCEPT ATTACHMENT 9. 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.

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I. Meeting Procedures

Tanvex BioPharma, Inc.
(The “Company”)

Procedures of 2018 Annual General Shareholders’ Meeting

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

II. Meeting Agenda

Tanvex BioPharma, Inc.
Meeting Agenda of 2018 Annual General Shareholders' Meeting

Time: Wednesday, 10:00 am, June 13, 2018, Taipei Local Time

Venue: Banquet Hall C, FARGLORY FICC, 4F, No.99, Sec. 1, Xintai 5th Rd., Xishi Dist., New Taipei City

Present: All shareholders or their proxy holders

Chairman: Mr. Chi-Chuan Chen

Chairman's Address

1. Report Matters

- (1) The 2017 Business Report.
- (2) The Audit Committee's review of the Audited Annual Financial Report of Year 2017.
- (3) The 4th quarter, 2017 execution status report on sound business plan.
- (4) The Amendment of the Rules of Procedure for Board of Directors Meeting.

2. Acknowledgment Matters

- (1) To accept 2017 Business Report and Consolidated Financial Report.
- (2) To accept the proposal of the 2017 loss make-up.

3. Proposals and Discussion

- (1) The Amendment of the Company's Memorandum and Articles of Association. (To be approved by way of special resolution)

4. Election Matters

- (1) Re-election of Board of Directors.

5. Other Discussion Matters

- (1) Release of Prohibition on Non-Competition of Board Directors.

6. Extemporaneous Motion

7. Meeting Adjourned

1. Report Matters

Item 1: The 2017 Business Report.

Explanation: The Company's Business Report of 2017 is attached as Attachment 1. Please refer to page 13.

Item 2: The Audit Committee's review of the Annual Financial Audit Report of Year 2017.

Explanation: The Audit Committee's review report is attached as Attachment 2. Please refer to page 16.

Item 3: The 4th quarter, 2017 execution status report on sound business plan.

Explanation:

- (1) 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.
- (2) The 4th quarter, 2017 execution status report on sound business plan is attached as Attachment 3. Please refer to page 17.

Item 4: The Amendment of the Rules of Procedure for Board of Directors Meeting.

Explanation:

- (1) According to Regulations Governing Procedure for Board of Directors Meeting of Public Companies, the Board of Directors resolved to amend the Company's of Procedure for Director Meeting and report this to the Shareholders Meeting.
- (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 2017 Business Report and Consolidated Financial Report.

[Proposed by the Board of Directors]

Explanation:

- (1) The Company's 2017 Business Report and Consolidated Financial Report have been approved by the Board of Directors and reviewed by the Audit Committee of the Company. The 2017 Consolidated Financial Report, including Balance Sheet, Consolidated Income Statements, 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 who issued the unqualified opinion of the auditor's report.
- (2) 2017 Business Report, Independent Auditors' Audit Report and the aforementioned Consolidated Financial Report are attached as Attachments 1 and 5 on page 13 and 21.
- (3) It is proposed to approve the proposal.

Resolution:

Item 2: Proposal to accept the loss make-up of 2017. [Proposed by the Board of Directors]

Explanation:

- (1) After auditing by the CPA, in Year 2017 the Company's net loss after tax is NT\$ 1,409,800,417. After adding accumulated deficit of NT\$ 2,079,701,015 in the beginning of 2017, the aggregated accumulated deficit is NT\$ 3,489,501,432.
- (2) The annual loss make-up for 2017 is as follows:

Expressed in New Taiwan Dollar	
Item	Amount
Losses to be covered in the beginning of the year	(2,079,701,015)
Plus: 2017 Net loss after tax	(1,409,800,417)
Losses to be covered at the end of the year	(3,489,501,432)

- (3) It is proposed to approve the proposal.

Resolution:

3. Proposals and Discussions

Item 1: Proposal to Amend the Company's Memorandum and Articles of Association.

[Proposed by the Board of Directors](To be approved by way of special resolution)

Explanation:

- (1) To have the Company's Memorandum and Articles of Association comply with Taiwan laws, and with reference to Articles 18, 27, 28, 29 and 35 of the newly amended Business Mergers and Acquisitions Act of Taiwan, it is proposed to amend part of the Company's Memorandum and Articles of Association.
- (2) The comparison table of content of amendment of articles is attached as Attachment 6. Please refer to page 32.
- (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. Election Matters

Item 1: Re-election of Board of Directors. [Proposed by the Board of Directors]

Explanation:

- (1) The 3rd term of the Company's directors will expire on May 14, 2018. It is proposed to ask the Annual General Meeting of shareholders to elect 9 directors (including 3 independent directors) for the 4th term.
- (2) The newly elected directors shall hold office for three years from June 13, 2018 to June 12, 2021. The incumbent directors will be discharged from the office as the date of the election of the new directors.
- (3) The Company has announced the accepting of director candidates nominated by the shareholder(s) and Board of Directors for the period from March 30, 2018 to April 9, 2018. The list of nine (9) directors candidate's related information are as follows, which were approved by the 16th meeting of the 3rd term of Board of Directors dated March 26th, 2018.

No.	Shareholder No.	Name	ID or Uniformed Number	Number of Shares held by the candidate	Work (and) Educational Experience	Note
1.	-	Chang, Lee-Chiou	M1008*****	-	Master, NCCU Department of Risk Management and Insurance, National Chengchi University Bachelor, Department of Public Finance, National Chengchi University Chairman, Yuanta Securities Finance Co., Ltd. President, Yuanta Securities Co., Ltd. President, Grand Cathay Securities Corp. Auditor, Director, Special Commissioner, Assistant Director, Director, Securities and Futures Commission, Ministry of Finance Auditor and Assistant Auditor, National Taxation Bureau of Taipei	Candidate of Independent Director
2	-	Tsai, Jin-Pau	F1227*****	-	Master in Accounting, Graduate Institute of Accounting, National Chengchi University Master in Law, College of Law, National Chengchi University Bachelor, Department of Accounting, National Chengchi	Candidate of Independent Director

No.	Shareholder No.	Name	ID or Uniformed Number	Number of Shares held by the candidate	Work (and) Educational Experience	Note
					University Deputy CEO, CEO and Deputy Chairman, PwC Taiwan President, PwC Management Consulting Company Ltd. Vice Chairman, Fuh Hwa Securities Investment Trust Co., Ltd. Director and Managing Director, Taiwan Corporate Governance Association Managing Director, Accounting Research and Development Foundation Chairman, Auditing Standards Committee Consultant, Public Service Pension Fund Supervisory Board	
3	-	Shih, Chuan	K1236*****	-	PhD in Organic chemistry, Ohio State University Master in Organic chemistry, Ohio State University Bachelor, Department of Chemistry, National Chung Hsing University Special Researcher and Director, Institute of Biotechnology and Pharmaceutical Research (IBPR), National Health Research Institutes (NHRI) Crown Bioscience, Inc. Member of Science Consultant Committee	Candidate of Independent Director
4	10	Peng Lin Investment Co., Ltd. Representative: Chen, Chi-Chuan	54283722	70,566,999	Master in Business, National Taiwan University, College of Management Vice President and Special Assistant to CEO, Investment Management Office, Ruentex Group	Candidate of Director
5	10	Peng Lin Investment Co., Ltd. Representative: Cho, Lung-Yeh	54283722	70,566,999	Bachelor in Accounting, National Taipei University CPA, KPMG	Candidate of Director
6	1	Allen Chao and Lee Hwa Chao Family Trust Representative: Allen Chao	5054*****	16,888,022	Ph.D., Purdue University, College of Pharmacy Founder and CEO, Watson Pharmaceuticals. (now Allergan)	Candidate of Director

No.	Shareholder No.	Name	ID or Uniformed Number	Number of Shares held by the candidate	Work (and) Educational Experience	Note
7	8	Hsia Family Trust Representative: David Hsia	4741*****	2,442,430	Ph. D., Purdue University, College of Pharmacy Senior Vice President, R&D, Watson Pharmaceuticals (now Allegan) Manager, Pharmaceutical Technology R&D Director, American Hospital Supply Corp. (now Baxter)	Candidate of Director
8	63	中國信託商業銀行受託保管康禧全球投資基金投資專戶 (Delos Capital Fund, LP) Representative: Chen, Lin-Cheng	F1214*****	14,400,000	J.D., Harvard University Managing Partner, Delos Capital Fund, LP Partner and Co-Head of Asia, Permira Managing Director, Goldman Sachs Lawyer, Davis Polk & Wardwell, LLP and New York Bar	Candidate of Director
9	25	Yen, Yun	A1026*****	273,748	Ph.D. in Pathology and Cell Biology, Thomas Jefferson University M.D., Taipei Medical University Adjunct Professor, Graduate Institute of Oncology, National Taiwan University Affiliate Professor, California Institute of Technology Attending Physician, Division of Medical Oncology, City of Hope Professor, Medical Oncology and Graduate School, City of Hope Director, Developmental Cancer Therapeutics Program, City of Hope Chairman, Molecular Pharmacology Department, City of Hope Vice President, City of Hope Fellow, Hematology and Oncology Section, School of Medicine, Yale University	Candidate of Director

(4) It is proposed to elect the proposal.

Resolution:

5. Other Discussion Matters

Item 1: Release of Prohibition on Non-Competition of Board 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) It is proposed to release a Director who does anything for himself or on behalf of another person that is within the scope of the Company's or similar company's business and assumes a role of Director or Officer from the prohibition of non-competition according to Section 97B of the Company's Memorandum and Articles of Association, on the conditions that there are no damages to the Company's interests.
- (3) The details of the proposal to release the non-competition prohibition, are attached as Attachment 7. Please refer to page 36.
- (4) It is proposed to approve the proposal.

Resolution:

6. Extemporary Motion

7. Meeting Adjourned

III. Attachments



Tanvex BioPharma, Inc. 2017 Business Report

The high price of biologic drugs presents a significant financial burden on the healthcare system globally. Consequently, quality, effective and affordable biosimilar products has emerged as one of the best solutions to reduce pharmaceutical costs.

The United States represents the single, largest market in the world for biologic drugs. In 2010, the US government approved the Biologics Price Competition and Innovation Act ("BPCIA") which established a clear and efficient pathway for biosimilar regulation and market access. In 2015, the US FDA approved the first biosimilar product (Zarxio®), a biosimilar to Neupogen®. As of December 31, 2017, the US FDA had approved a total of nine biosimilar products signaling the emergence of the biosimilar industry in the United States.

Tanvex BioPharma, Inc. (Tanvex) is developing biosimilar products and plans to target the US market as a priority. The Company plans to leverage its vertical integration, in-house development, manufacturing and commercialization capabilities, which provides it control and flexibility and the ability to successfully compete in the US market. Key accomplishments in 2017 are as follows:

2017 Product and Operation Results, Financial Performance and Budget Execution Status

1. 2017 Product and Operation Results:

To deliver our commitment to shareholders and employees, we have been diligently working on the layout for commercialization. The Products development progress of 2017 is highlighted as below:

- **Product TX01 (A Proposed biosimilar to Neupogen®)**
Completed Phase III clinical trials in August 2017, the pre-specified endpoints are met.
- **Product TX05 (A Proposed biosimilar to Herceptin®)**
Initiated Phase III clinical trials in October 2017.
- **Product TX16 (A Proposed biosimilar to Avastin®)**
Initiated Phase I clinical trials in January 2017 and completed in December 2017 successfully.
- Established the sales and marketing team and plan.
- Listed stock on Taiwan Stock Exchange (TWSE) on October 26, 2017.
- Raised ~NT\$1.66 billion (~US\$55M) of additional capital through equity financing in October 2017.

Tanvex product's line and development progress of 2017 :

Product Code	Product Category	Product Development Stage (As of 12/31/2017)				
		Pre-Clinical	IND	Phase I	Phase III	BLA
TX01	Biosimilar					
TX05						
TX16						
TX17						
TX88	New Drug					

2. Year 2017 financial performance

Since our products are still at research and development stage in 2017, no revenue has been generated in the year. Below is a summary of our financial results for 2017 and 2016:

Unit: NT\$ in thousands, NT\$ for loss per share

Description	2017	2016	VARIANCE	% OF VARIANCE
Sales and Revenue	0	0	0	0%
Cost of Goods Sold	0	0	0	0%
Operating Expenses	-1,403,168	-1,351,518	-51,650	4%
Non-operating Income and Expenses	-6,607	107,098	-113,705	-106%
Income Tax Expense	-25	-26	1	-4%
Net Loss after Tax	-1,409,800	-1,244,446	-165,354	13%
Net Loss Per Share (NT\$)	-7.29	-6.61	-0.68	10%

We have continuously invested in research and development activities and commercialization in 2017 in order to synchronize with the product development progress.

As a result, the net loss of year 2017 was NT\$1.4 billion which is NT\$165 million more than 2016. Among the losses, research and development costs counted for NT\$1.1 billion, a 2% decrease over last year due to the appreciation of NTD as most of R&D expenses paid by US dollars currency. All products developments have been implemented as planned and budgeted NT\$1.9 billion in 2017. In the meantime, we closed NT\$1.66 billion equity financing in October 2017. Resulted net value per share at NT\$17.31 in 2017.

Outlook

Tanvex will be entering into the transition to commercialization in the coming year. In 2018, the Company plans to submit its BLA (Biologics license Application) for TX01, a proposed biosimilar to Neupogen®, (Filgrastim) to US FDA, continues to progress its Phase III clinical programs for TX05, a proposed biosimilar to Herceptin® (Trastuzumab), and plans to develop its phase III protocols for TX16, a proposed biosimilar to Avastin®. Along with the completion of each product, Tanvex will continue to accelerate the development of a robust pipeline of biosimilar products and will build out its commercial infrastructure to successfully bring its products to the market with its persistent efforts, ensuring the value of the Company and its shareholders during the booming of biosimilar industry.

**Tanvex BioPharma, Inc.
Audit Committee's Review Report**

March 26, 2018

The Board of Directors has prepared the Company's 2017 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 2018 Annual General Shareholders' Meeting of Tanvex BioPharma, Inc.

Convener of the Audit Committee

Lee-Chiou Chang

Tanvex BioPharma, Inc.

Execution Status Report on Sound Business Plan

For the 4th Quarter, 2017

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, 2017, 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"> Completed Phase III clinical trials in August 2017, the pre-specified endpoints are met. In preparation of documentation for BLA (Biologics License Application) submission.
TX05	Breast cancer	<ul style="list-style-type: none"> Revived US FDA’s advice for Phase III clinical trial in September 2017. Initiated the Phase III clinical trial in October 2017.
TX16	Metastatic colorectal cancer and Lung cancer	<ul style="list-style-type: none"> IND Approved by US FDA to start phase I clinical trial in January 2017. Completed Phase III clinical trials in December 2017, the pre-specified endpoints are met.
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. 2017 major business activities

For the related business plan execution progress of the Year 2017, please refer to the 2017 Business Report in the Handbook of 2018 Annual General Shareholders' Meeting of the Company.

4. 2017 Financial Performance

Since our products are still in research and development stage in 2017, 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\$1.4 billion which is NT\$165 million more than 2016. Among the loss, research and development costs counted for NT\$1.1 billion, a 2% decrease over last year mainly due to the appreciation of NTD as most of R&D expenses paid by US dollars currency.

Meanwhile, Tanvex closed NT\$1.7 billion equity financing in October, 2017 to support its business operation. Resulted net value per share at NT\$17.31 in 2017. As of the end of 2017, the consolidated net cash balance is approximately NT\$2.0 billion, other current financial assets is NT\$1.1 billion and the total assets valued approximately NT4.0 billion.

As the result after the annual audit performed by CPAs, Tanvex's financial performance of Q4, 2017 has fully met the financial planning in the Sound Business Plan.

TANVEX BIOPHARMA, INC.

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

Article	After Amendment	Before Amendment	Remarks
12	<p>Powers of Board of Directors</p> <p>The following matters shall be submitted to the board of directors of the Company for report or discussion:</p> <p>3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, <u>and evaluation of the efficiency of such internal control system.</u></p> <p><u>If the Company has Independent Director(s), at least one Independent Director shall attend in person a meeting of the board of directors.</u> All Independent Directors shall attend in person any meeting concerning a matter that requires a resolution by the board of directors <u>in the paragraph 1. If an Independent Director is unable to attend the meeting in person, such Independent Director must</u> appoint another Independent Director to attend as his or her proxy. If an Independent Director objects to or expresses reservations about the matter, it</p>	<p>Powers of Board of Directors</p> <p>The following matters shall be submitted to the board of directors of the Company for report or discussion:</p> <p>3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act.</p> <p>Each independent director shall attend in person any meeting concerning a matter that requires a resolution by the board of directors under Article 14-3 of the Securities and Exchange Act, or shall appoint another independent director to attend as his or her proxy. If an independent director objects to or expresses reservations about the matter, it shall be recorded in the board meeting minutes; an independent director intending to express objection or reservations but unable to attend the meeting in person shall, unless there is some legitimate reason to do</p>	<p>Amendment in accordance with Article 7(1) of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p> <p>Amendment in accordance with Article 7(5) of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>

Article	After Amendment	Before Amendment	Remarks
	shall be recorded in the board meeting minutes; an Independent Director intending to express objection or reservations but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.	otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.	

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To Tanvex BioPharma, Inc.

Opinion

We have audited the accompanying consolidated balance sheets of Tanvex BioPharma, Inc. (the “Company”) and its subsidiaries (the “Group”) as at December 31, 2017 and 2016, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2017 and 2016, and its consolidated financial performance and cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (“ROC GAAS”). Our responsibilities under those standards are further described in the *Independent accountant’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion

thereon, we do not provide a separate opinion on these matters.

The key audit matters of consolidated financial statements of 2017 described as below:

Indicators of impairment of property, plant and equipment

Description

As of December 31, 2017, the Group's property, plant and equipment amounted to NT\$747,168 thousand, accounting for 19% of the consolidated total assets. Please refer to Notes 4(10) and (13) for the related accounting policy, also Notes 5 and 6(3) for the details of impairment of property, plant and equipment in the consolidated financial statements.

The Group is currently engaged in conducting research and development of biosimilar product, so the property, plant and equipment are mainly used for the purposes of research and development and are highly relevant to the outcome of biosimilar drugs' development. In addition, the balance of property, plant and equipment at December 31, 2017 was significant. Thus, we consider indicators of impairment of property, plant and equipment as a key audit matter.

How our audit addressed the matter

Our procedures performed in respect of the above key audit matter included:

- Evaluating the reasonableness of identifying indicators of impairment by reviewing the assessment of impairment indicators provided by management as follows:
 1. Main research and development technology has not lost competition in the market.
 2. There is no major delay in the major research and development projects.
 3. The main research and development equipment is in normal use and has not been damaged or outdated.
 4. The market value of the Group is higher than its book value at the balance sheet date.

Existence of bank deposits

Description

As of December 31, 2017, the Group's cash and cash equivalents amounted to NT\$2,010,071 thousand, and the time deposits that do not meet the definition of cash equivalents (listed under "other current

financial assets”) amounted to NT\$1,053,033 thousand, constituting 77% of the total consolidated assets. Please refer to Note 4(6) for the related accounting policy and Notes 6(1) and (2) for the details of cash and cash equivalents in the consolidated financial statements and report of 2017.

As cash constitutes a significant percentage of total consolidated assets, and has the inherent risk of misstatement, we consider the existence of bank deposits as a key audit matter.

How our audit addressed the matter

Our procedures performed in respect of the above key audit matter included:

1. Confirming bank accounts and special arrangements with financial institutions to verify the existence and rights and obligations of the bank deposits;
2. Verifying the authenticity of the necessary information for the bank confirmations;
3. Reviewing all the reconciling items in the bank reconciliation at the balance sheet date; and
4. Inspecting the source documents of significant cash receipts and payments to verify whether the transactions are for business needs.

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

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

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

Those charged with governance, including supervisors, are responsible for overseeing the Group’s financial reporting process.

Independent accountant’s responsibilities for the audit of the consolidated financial

statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of 2017 and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Tseng, Hui-Chin

Teng, Sheng-Wei

For and on behalf of PricewaterhouseCoopers, Taiwan

March 26, 2018

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
DECEMBER 31, 2017 AND 2016
(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2017		December 31, 2016	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,010,071	51	\$ 1,301,659	33
1200	Other receivables		1,445	-	5,170	-
1410	Prepayments		111,576	3	32,620	1
1476	Other current financial assets	6(2)	1,053,033	26	1,613,787	42
11XX	Total current assets		3,176,125	80	2,953,236	76
Non-current assets						
1600	Property, plant and equipment	6(3)	747,168	19	832,549	22
1780	Intangible assets	6(4)	24,626	1	57,665	1
1920	Guarantee deposits paid		22,971	-	25,233	1
1990	Other non-current assets		2,113	-	3,669	-
15XX	Total non-current assets		796,878	20	919,116	24
1XXX	Total assets		\$ 3,973,003	100	\$ 3,872,352	100

(Continued)

TANVEX BIOPHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2017 AND 2016
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2017		December 31, 2016	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2150	Notes payable		\$ 1,395	-	\$ 1,934	-
2200	Other payables	6(5)	158,101	4	231,213	6
2300	Other current liabilities	6(6)	5,208	-	-	-
21XX	Total current liabilities		164,704	4	233,147	6
2600	Net defined benefit liability - non-current	6(6)	59,078	2	66,098	2
2XXX	Total Liabilities		223,782	6	299,245	8
Share capital		6(9)				
3110	Share capital - common stock		2,166,364	54	1,929,927	50
Capital surplus		6(10)				
3200	Capital surplus		5,375,881	136	3,776,397	97
Retained earnings		6(11)				
3350	Accumulated deficit		(3,489,501)	(88)	(2,079,701)	(54)
Other equity interest		6(12)				
3400	Other equity interest		(303,523)	(8)	(53,516)	(1)
31XX	Equity attributable to owners of the parent		3,749,221	94	3,573,107	92
3XXX	Total equity		3,749,221	94	3,573,107	92
Significant contingent liabilities and unrecognized contract commitments		9				
Events after the reporting period		11				
3X2X	Total liabilities and equity		\$ 3,973,003	100	\$ 3,872,352	100

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 loss per share data)

Items	Notes	Year ended December 31			
		2017		2016	
		AMOUNT	%	AMOUNT	%
4000 Sales revenue		\$ -	-	\$ -	-
5000 Operating costs		-	-	-	-
5900 Net operating margin		-	-	-	-
Operating expenses					
6100 Selling expenses	6(15)(16)	(10,541)	-	-	-
6200 General and administrative expenses	6(15)(16)	(308,202)	-	(243,529)	-
6300 Research and development expenses	6(15)(16) and 7	(1,084,425)	-	(1,107,989)	-
6000 Total operating expenses		(1,403,168)	-	(1,351,518)	-
6900 Operating loss		(1,403,168)	-	(1,351,518)	-
Non-operating income and expenses					
7010 Other income	6(13) and 7	21,783	-	25,648	-
7020 Other gains and losses	6(4)(14)	(28,390)	-	81,450	-
7000 Total non-operating income and expenses		(6,607)	-	107,098	-
7900 Loss before income tax		(1,409,775)	-	(1,244,420)	-
7950 Income tax expense	6(17)	(25)	-	(26)	-
8200 Loss for the year		(\$ 1,409,800)	-	(\$ 1,244,446)	-
Other comprehensive loss					
Components of other comprehensive loss that will not be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations	6(12)	(\$ 250,007)	-	(\$ 109,275)	-
8500 Total comprehensive loss for the year		(\$ 1,659,807)	-	(\$ 1,353,721)	-
Loss attributable to:					
8610 Owners of the parent		(\$ 1,409,800)	-	(\$ 1,244,446)	-
Comprehensive loss attributable to:					
8710 Owners of the parent		(\$ 1,659,807)	-	(\$ 1,353,721)	-
Loss per share					
9750 Basic loss per share	6(18)	(\$ 7.29)		(\$ 6.61)	
9850 Diluted loss per share		(\$ 7.29)		(\$ 6.61)	

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, except loss per share data)

	Equity attributable to owners of the parent						Financial statements translation differences of foreign operations	Total Equity
	Capital Reserves							
	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Employee stock options	Others	Accumulated deficit		
Year ended December 31, 2016								
		\$ 1,664,084	\$ 514,769	\$ 48,047	\$ 596	\$ 835,255	\$ 55,759	\$ 1,448,000
6(9)	Balance at January 1, 2016	260,000	3,068,000	-	-	-	-	3,328,000
6(8)	Issuance of shares from compensation cost of employee	-	4,420	-	-	-	-	4,420
6(8)	Compensation cost of employee stock options	-	-	132,062	-	-	-	132,062
6(8)	Forfeiture of employee stock options	-	-	(226)	226	-	-	-
	Exercise of employee stock options	5,843	14,614	(6,111)	-	-	-	14,346
	Loss for the year	-	-	-	-	(1,244,446)	-	(1,244,446)
6(12)	Other comprehensive loss for the year	-	-	-	-	-	(109,275)	(109,275)
	Balance at December 31, 2016	<u>\$ 1,929,927</u>	<u>\$ 3,601,803</u>	<u>\$ 173,772</u>	<u>\$ 822</u>	<u>(\$ 2,079,701)</u>	<u>(\$ 53,516)</u>	<u>\$ 3,573,107</u>
Year ended December 31, 2017								
		\$ 1,929,927	\$ 3,601,803	\$ 173,772	\$ 822	\$ 2,079,701	\$ 53,516	\$ 3,573,107
6(9)	Balance at January 1, 2017	230,000	1,421,000	-	-	-	-	1,651,000
6(8)	Compensation cost of employee stock options	-	-	172,083	-	-	-	172,083
	Exercise of employee stock options	6,437	12,539	(6,138)	-	-	-	12,838
	Loss for the year	-	-	-	-	(1,409,800)	-	(1,409,800)
6(12)	Other comprehensive loss for the year	-	-	-	-	-	(250,007)	(250,007)
	Balance at December 31, 2017	<u>\$ 2,166,364</u>	<u>\$ 5,035,342</u>	<u>\$ 339,717</u>	<u>\$ 822</u>	<u>(\$ 3,489,501)</u>	<u>(\$ 303,523)</u>	<u>\$ 3,749,221</u>

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)

		<u>Years ended December 31,</u>	
	<u>Notes</u>	<u>2017</u>	<u>2016</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 1,409,775)	(\$ 1,244,420)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(15)	117,404	104,205
Amortization	6(15)	15,301	13,370
Compensation cost of employee stock options	6(8)	172,083	136,482
Interest income	6(13)	(21,651)	(10,652)
Loss on disposal of property, plant and equipment	6(14)	5,116	3,207
Property, plant and equipment transferred to expense		12	792
Impairment loss	6(14)	30,908	-
Changes in operating assets and liabilities			
Changes in operating assets			
Other receivables		3,725	(4,770)
Other receivables - related parties		-	56
Prepayments		(78,956)	(10,829)
Changes in operating liabilities			
Notes payable		(539)	1,934
Other payables		(58,995)	122,239
Other current liabilities		5,208	(2,752)
Net defined benefit liability - non-current		(7,020)	47,086
Cash outflow generated from operations		(1,227,179)	(844,052)
Interest income		15,188	10,652
Income tax paid	6(17)	(25)	(26)
Net cash flows used in operating activities		(1,212,016)	(833,426)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property and equipment	6(19)	(104,402)	(238,149)
Proceeds from disposal of property, plant and equipment		2,756	4,239
Increase in intangible assets	6(4)	(12,194)	(10,413)
Acquisition of other current financial assets		-	(1,613,787)
Decrease in other current financial assets		455,225	-
Increase in refundable deposits		-	(4,138)
Decrease in refundable deposits		562	465
Increase in other assets - others		(2,113)	(1,631)
Net cash flows from (used in) investing activities		339,834	(1,863,414)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Issuance of shares	6(9)	1,651,000	3,328,000
Exercise of employee stock options		12,838	14,346
Net cash flows from financing activities		1,663,838	3,342,346
Effect of exchange rate changes on cash and cash equivalents		(83,244)	(102,072)
Net increase in cash and cash equivalents		708,412	543,434
Cash and cash equivalents at beginning of year		1,301,659	758,225
Cash and cash equivalents at end of year		<u>\$ 2,010,071</u>	<u>\$ 1,301,659</u>

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

【Attachment 6】

Comparison Chart 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
1	<p>In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:</p> <p>(Omitted)</p> <p><u>"Delisting"</u> means (a) the <u>delisting of the Shares registered or listed on any Taiwan stock exchange or securities market as a result of a Merger in which the Company will dissolve, general assumption (as defined in the Applicable Listing Rules), share swap (as defined in the Applicable Listing Rules) or Spin-off; and (b) the shares of the surviving company in the Merger, the transferee company in the general assumption or the existing company or newly-incorporated company in the share swap or Spin-off will not be registered or listed on any Taiwan stock exchange or securities market;</u></p> <p>(Omitted)</p> <p><u>"Supermajority Special Resolution"</u> means a <u>Special Resolution approved by the Shareholders holding at least two-thirds (2/3) of the Shares in issue at the time of the general meeting;</u></p> <p>(Omitted)</p>	<p>In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:</p> <p>(Omitted)</p>	<p>Revised per the checklist for matters in connection with protection of shareholder equity of foreign issuer's country of registration under Article 28-7 of "Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings "</p>
31	<p>The Company may also by Special Resolution:</p> <p>(a) change its name;</p>	<p>The Company may also by Special Resolution:</p> <p>(a) change its name;</p>	

Articles No.	Amended and Restated Articles of Association (Proposed Revision)	Amended and Restated Articles of Association (Original)	Explanations
	<p>(b) subject to the Law, reduce its share capital and any capital redemption reserve in any manner authorised by law; and</p> <p>(c) effect a Merger of the Company in accordance with the Applicable Listing Rules and the Law.</p> <p><u>For the avoidance of doubt, in case a Merger is a Delisting, Article 33A shall apply.</u></p>	<p>(b) subject to the Law, reduce its share capital and any capital redemption reserve in any manner authorised by law; and</p> <p>(c) effect a Merger of the Company in accordance with the Applicable Listing Rules and the Law.</p>	
33A	<u>The Company shall pass a Supermajority Special Resolution if the Company effects a Delisting in accordance with the Application Listing Rules.</u>	N/A	
50	<p>The following matters shall be specified in the notice of a general meeting, and shall not be proposed as ad hoc motions:</p> <p>(a) election or discharge of Directors or supervisors (if any);</p> <p>(b) amendments to the Memorandum of Association and/or these Articles;</p> <p>(c) dissolution, share swap (as defined in the Applicable Listing Rules), Merger or Spin-off of the Company;</p> <p>(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;</p> <p>(e) the transfer of the whole or any material part of its business or assets;</p> <p>(f) the takeover of another's whole business or assets, which will have a material effect on the business operation of the Company;</p>	<p>The following matters shall be specified in the notice of a general meeting, and shall not be proposed as ad hoc motions:</p> <p>(a) election or discharge of Directors or supervisors (if any);</p> <p>(b) amendments to the Memorandum of Association and/or these Articles;</p> <p>(c) dissolution, share swap (as defined in the Applicable Listing Rules), Merger or Spin-off of the Company;</p> <p>(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;</p> <p>(e) the transfer of the whole or any material part of its business or assets;</p> <p>(f) the takeover of another's whole business or assets, which will have a material effect on the business operation of the Company;</p> <p>(g) the private placement of equity-linked securities;</p>	

Articles No.	Amended and Restated Articles of Association (Proposed Revision)	Amended and Restated Articles of Association (Original)	Explanations
	<p>(g) the private placement of equity-linked securities;</p> <p>(h) granting waiver to the Director's engaging in any business within the scope of business of the Company;</p> <p>(i) distribution of part or all of its dividends or bonus by way of issuance of new Shares;</p> <p>(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;</p> <p>(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;</p> <p>(l) the transfer of Treasury Shares to its employees by the Company;</p> <p>(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</p>	<p>(h) granting waiver to the Director's engaging in any business within the scope of business of the Company;</p> <p>(i) distribution of part or all of its dividends or bonus by way of issuance of new Shares;</p> <p>(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;</p> <p>(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;</p> <p>(l) the transfer of Treasury Shares to its employees by the Company;</p> <p>(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</p>	

Articles No.	Amended and Restated Articles of Association (Proposed Revision)	Amended and Restated Articles of Association (Original)	Explanations
	<p>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</p> <p>(n) issue of restricted shares for employees; <u>and</u></p> <p>(o) <u>the Delisting.</u></p>	<p>in the financial reports audited and attested or reviewed by a CPA issued for the most recent period; and</p> <p>(n) issue of restricted shares for employees</p>	

Tanvex BioPharma, Inc.

Proposal to Release the Non-Competition Prohibition of 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"> • Vice General Manager, Investment Management and Special Assistant to Chairman of Ruentex Group • Representative of corporate Board director, Tanvex Biologics Corp. • Representative of corporate Board director, Tanvex Biologics, Inc. • Representative of corporate Board director, TaiMed Biologics, Inc. • 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, Cotton Field Organic Co., Ltd. • Representative of corporate Board director, Xinyao Biologics Investment Inc. • Representative of corporate Board director, RENBIO, Inc. • Representative of corporate Board director, RenBio Holdings Ltd. • Representative of corporate Board director, Advanced Lithium Electrochemistry Co., Ltd. • Representative of corporate Board director, Unicon Vision Inc. • Representative of corporate Board director, Empire Vision Inc. • Representative of corporate Board director, Brogent Technologies Inc. • Representative of corporate Board director, Mega Growth Investment Inc. • 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 Ltd. • Representative of corporate supervisor, RT Mart International Ltd. • Representative of corporate supervisor, Ruentex Industries Ltd. • 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"> • Special Assistant to Chairman of Ruentex Group • Representative of Corporate Board Director, OBI Pharma, Inc. • Representative of corporate Board director, RENBIO, Inc. • Representative of corporate Board director, RenBio Holdings Ltd. • Representative of corporate Board director, TaiMed Biologics, Inc. • Representative of corporate Board director, Nan Shan Life Insurance Co., Ltd • Representative of corporate supervisor, Ruenhui Biopharmaceuticals Inc.
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, Ansun BioPharma Inc. • Board Director, Arbor Pharmaceuticals, LLC • Board Director, Mithra Biotechnology Inc. • Turst Director, Taipei Medical University
Hsia Family Trust Representative: David Hsia	<ul style="list-style-type: none"> • Board Director, Tanvex Biologics Inc • Member of Consulting committee, Allianz Pharmascience Ltd.

Board Director's Name	Concurrent Position and Company Served
<p>中國信託商業銀行受託保管 康禧全球投資基金投資專戶 (Delos Capital Fund, LP) Representative: Chen, Lin-Cheng</p>	<ul style="list-style-type: none"> • Managing Partner, Delos Capital Fund, LP • Board Director, Atia Medical, Inc. • Board Director, Allegra Therapeutics GmbH • Board Director, BAROnova, Inc. • Board Director, Curatia Medical, Inc. • Board Director, Hemo Bioengineering Limited • Board Director, Imperative Care, Inc. • Board Director, Syndax Pharmaceuticals, Inc.
<p>Yen, Yun</p>	<ul style="list-style-type: none"> • Professor, Ph.D. Program for Cancer Molecular 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. • Chairman, Calgent Biotechnology Co. Ltd.
<p>Tsai, Jin-Pau (Independent Director)</p>	<ul style="list-style-type: none"> • Adjunct Associate Professor, Department of Accounting, National Chengchi University • 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. • 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
<p>Chang, Lee-Chiou (Independent Director)</p>	<ul style="list-style-type: none"> • Chairman, Board Director, Panion & BF Biotech Inc. • Chairman, Board Director, FOCl Fiber Optic Communications, Inc. • CEO, Sun Ten Group • Board Director, Sun Ten Natureceutica Co., Ltd. • Chairman, Board Director, Herbiotek Co., Ltd. • Independent Board Director, Compensations Committee member, Taya Telecom Cable Co. Ltd. • Independent Board Director, Audit Committee member, Compensations Committee member Acme Electronics Corporation • Independent Board Director, Compensations Committee member, T3EX Global Holding Inc. • Chief consultant, Yuanta Securities Co., Ltd.
<p>Shih, Chuan (Independent Director)</p>	<ul style="list-style-type: none"> • Venture Partner, Venture Partner • Visiting professor, Institute of Biotechnology and Pharmaceutical Research (IBPR), National Health Research Institutes (NHRI) • Member of Science Consulting Committee, Crown Bioscience Inc. • Independent Board Director, TaiRx Inc. • Professor, Chemistry Department, National Chung Hsing University

IV. Appendices

Tanvex BioPharma, Inc.

Rules of Procedure for Shareholders' Meeting (English translation)

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.

Rules of Procedures for Board of Directors Meeting

(English Translation)

Article 1 Purpose and Legal base of the Rules

To establish a good system of governance by board of directors and sound supervisory, and to strengthen administrative function, the Company establishes the Rules for compliance in accordance with Article 2 of the Regulations Governing Procedure for the Board of Directors Meetings of Public Companies

Article 2 Applicable Scope of the Rules

The main agenda items, operational procedures, required content of meeting minutes, public announcements, and other compliance requirements for board meetings of the Company shall be handled in accordance with the Rules.

Article 3 Meetings of Board of Directors and Notice of Meeting

The board of directors of the Company shall meet once every quarter.

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.

The notice of meeting mentioned in this article may be delivered electronically if agreed by the recipient.

The meeting agenda set forth in paragraph 1 of Article 12 shall be specified in said notice and shall not be raised by extraordinary motion except in case of emergency or for legitimate reasons.

Article 4 Notice of Meeting and Materials for the Meeting

The agenda matters department designated by the board of directors of the Company shall be the Administration Management Department.

The agenda matters department shall prepare agenda items for board of directors meetings and provide comprehensive meeting materials, to be sent together with the notice of the meeting.

A director of the opinion that the meeting materials provided are insufficient may request the agenda matters unit to supplement the materials. If a director is of the opinion that materials regarding any proposal are insufficient in content, the board of directors may resolve to postpone the discussion of such proposal.

Article 5 Attendance Book and Attendance by Proxy

When a meeting of the board of directors is held, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference.

A director shall attend board meetings in person; if attendance in person is not possible, he/she may, pursuant to the Company's Memorandum and Articles of Association, appoint another director to attend as his/her proxy. Attendance via tele- or video-conference is deemed as attendance in person.

A director appointing another director to attend a board meeting in his or her place shall in each case give to that director a written proxy stating the scope of authorization with respect to the reasons for meeting.

A proxy under paragraph 2 may accept a proxy from one person only.

Article 6 Location and Time of Meeting of Board of Directors

Board meetings shall be held at the Company's premises during the business hours, or at the location and time convenient for directors to attend and appropriate for meetings of the board of directors.

Article 7 Chairman and Deputy

Meetings of the board of directors shall be called and chaired by the Chairman of the board. However, the first meeting of each newly elected board of directors shall be called and chaired by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to do so.

When the Chairman of the board is on leave or for any reason is unable to exercise the powers of the Chairman, the Vice Chairman shall do so in place of the Chairman, or, if there is no Vice Chairman or the Vice Chairman also is on leave or for any reason is unable to act, by a managing director designated by the Chairman, or, if there is no managing director, by a director designated thereby, or, if the Chairman does not make such a designation, by a managing director or director elected by and from among themselves.

Article 8 Reference Materials, Nonvoting Participants and Postponement of meetings of Board of Directors

When holding a meeting of the board of directors, the Administration Management Department shall prepare sufficient reference materials of the meetings for directors and thereafter made available for future reference from time to time.

When holding a meeting of the board of directors, the Company may, as necessary for the agenda items of the meeting, notify personnel of relevant departments or subsidiaries to attend the meeting as nonvoting participants.

When necessary, the company may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements, provided that they shall leave the meeting when discussion or voting takes place.

The Chairman shall promptly declare commencement of the meeting upon the prescheduled opening time where more than one-half of all board directors are present.

When the time of a meeting has arrived but no more than one-half all board directors are present, the chairperson may announce postponement of the meeting time, provided that only two postponements may be made. If the quorum is still not met

after two such postponements, the chairperson shall re-call the meeting following the procedures provided in paragraph 2 of Article of the Rules.

The term "all board directors " as used in the preceding paragraph and in subparagraph 2, paragraph 2 of Article 16 shall be calculated as the number of directors then in office.

Article 9 Audio or Video Recording of Proceedings of Meetings of Board of Directors

Audio or video recording of the entire process of a meeting of the board of directors shall be made and preserved for at least five years in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph any litigation arises in connection with a resolution of a board of directors meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded.

Where a board of directors meeting is held via tele- or video conference, the audio and visual documentation of the meeting form a part of the meeting minutes and shall be well preserved throughout the life of the Company.

Article 10 Agenda

Agenda items for regular board of directors meetings of the Company shall include at least the following:

1. Report Matters:

- (1) Minutes of the last meeting and execution status.
- (2) Reporting on important financial and business matters.
- (3) Reporting on internal audit.
- (4) Other important matters to be reported.

2. Proposal Discussion:

- (1) Items discussed and continued from the last meeting.
- (2) Items for discussion at this meeting.

3. Extraordinary motions.

Article 11 Change of Agenda

A board of directors meeting of the Company shall be conducted in accordance with the order of matters on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.

The chairperson may not declare the end of the meeting without the approval of a majority of directors present at the meeting.

If at any time during a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chairperson shall declare a suspension of meeting, in which case paragraph 3 of Article 8 shall apply mutatis mutandis.

Article 12 Powers of Board of Directors

The following matters shall be submitted to the board of directors of the Company for report or discussion:

1. The Company's business plan.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited by a certified public accountant (CPA).
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. The appointment or discharge of a financial, accounting, or internal audit officer.
7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for ratification.
8. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or the board of directors, or any such significant matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-audited financial report for the most recent year. (For foreign companies whose stock has no par value or a par value other than NT\$10, the "5 percent of paid-in capital" in paragraph 2 above shall be calculated instead as 2.5 percent of shareholder equity.)

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

Each independent director shall attend in person any meeting concerning a matter that requires a resolution by the board of directors under Article 14-3 of the Securities and Exchange Act, or shall appoint another independent director to attend as his or her proxy. If an independent director objects to or expresses reservations about the matter, it shall be recorded in the board meeting minutes; an independent director intending to express objection or reservations but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

Article 13 Voting (1)

When the chairperson at a board of directors meeting of the Company is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chairperson may announce the discussion closed and bring the matter to vote.

When a proposal comes to a vote at a board of directors meeting, if the chairperson puts the matter before all directors present at the meeting and none voices an objection, the matter is deemed approved. If there is voices an objection, the chairperson shall bring the matter to vote.

The method of voting over proposals is decided by the chairperson from the following methods. If any present director raises objection, the chairperson shall seek the majority opinion to proceed,

1. By show of hands or rising vote, or voting machine;
2. Roll call vote,
3. Paper ballot voting
4. Other method adopted at the Company's discretion.

"All directors present at the meeting" in the preceding two paragraphs does not include directors prohibited from exercising voting rights pursuant to paragraph 1 of Article 15.

Article 14 Voting (2), Vote Monitoring and Counting

Except as otherwise stated in the Securities and Exchange Act or in the Company Act, a resolution on a matter at a board of directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors.

If there are any amendments or alternatives to the same proposal, the chairperson may consolidate thereof and decide the order of precedence for voting. If any proposal amongst thereof has been adopted, other proposals would be deemed to be rejected, no need for voting.

The chairperson may designate members in charge of vote monitoring and counting when necessary. The designee in charge of vote monitoring must be a director. The results of resolution(s) shall be announced in the meeting, and stated in the meeting minutes.

The results of vote(s) shall be announced in the meeting, and recorded in the meeting minutes.

Article 15 Conflict of Interest of Directors

If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.

The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 3 of that Act, apply to resolutions of board of directors meetings when a board director is prohibited by the preceding paragraph from exercising voting rights.

Article 16 The Required Items in Meeting Minutes

Minutes shall be prepared to record the discussions and resolutions at board of directors meetings of the Company. The meeting minutes shall record the following:

1. Session (or year), time, and place of meeting.
2. Name of the chairperson.
3. Attendance of directors at the meeting, specifying the names and number of directors present, excused, and absent.
4. Names and titles of those attending the meeting as nonvoting participants.
5. Name of minutes taker.
6. Matters reported on.
7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to paragraph of Article 12.
8. Extraordinary motions: the name of the mover; the method of resolution and the result for each motion; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.
9. Other matters required to be recorded.

Any of the following matters in relation to a resolution passed at a meeting of the board of directors shall be stated in the meeting minutes and within two days of the meeting be published on an information reporting website designated by the competent authority:

1. Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing.
2. Any matter that has not been passed by the Audit Committee of the Company, but has been adopted with the approval of two-thirds or more of all board directors without having been passed by the Audit Committee.

The attendance book forms a part of the minutes for each board of directors meeting and shall be well preserved during the existence of the company.

The minutes of a board of directors meeting shall bear the signature or seal of both the chairperson and the minutes taker; a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting and well preserved as important company records throughout the life of the Company.

The production and distribution of the meeting minutes referred to in paragraph 1 may be done in electronic form.

Article 17 Principles with Respect to the Delegation of Powers by the Board

With the exception of matters required to be discussed at a board meeting of the Company under paragraph 1 of Article 12, when the board of directors appoints a party to exercise the powers of the board in accordance with applicable laws and regulations or the Company's Memorandum and Articles of Association, the levels of such delegation and the content or matters it covers shall be concrete and specific, and carried out in accordance with the principles below:

1. The acquisition and disposal of assets, extension of monetary loans to others, and endorsements or guarantees for others of the Company.
2. Investment by the Company.
3. Matters of fund utilization (including but not limited to establishing and utilizing credit line granted by banks).
4. Representing the Company to enter into any agreement, memorandum and letter of intent. If the agreement has substantial effect to the Company's operation, it shall be submitted to the following board of directors meeting for ratification.
5. Application and protection of intellectual properties of the Company.
6. Material personnel appointment and discharge, including designation and arrangement of directors, supervisors, representatives of legal persons and managerial officers for investee companies (including foreign branch), except for Article 17 of the Company's Memorandum and Articles of Association and Article 12 of the Rules.
7. Authorization for date of capital increase or capital reduction, date of declaring cash dividend of the Company.
8. Change of organization structure and business policy of the Company.
9. Other matters approved respectively by shareholders meetings or board of directors to authorize the Chairman of the board of directors to conduct such matters in accordance with applicable laws or at his/her discretion.

Article 18 Recess and Resumption of a Board of Directors Meeting

The provisions of Article 2, paragraph 2 of Article 3, Articles 4 to 6, Article 8 to 11 and Articles 13 to 16 shall apply mutatis mutandis to the procedure for meetings of the managing directors of the Company, provided that if a meeting of managing directors is scheduled to be convened within seven days, the notice to each managing director may be made two days in advance.

Article 19 Implement and Amendments

These Rules shall be adopted by the board of directors and shall be reported to the shareholders meeting.

THE COMPANIES LAW (2016 REVISION)
COMPANY LIMITED BY SHARES
FIFTH AMENDED AND RESTATED

MEMORANDUM AND ARTICLES OF ASSOCIATION
OF
Tanvex BioPharma, Inc.
泰福生技股份有限公司

INCORPORATED ON THE 8TH DAY OF MAY, 2013
(Adopted by Special Resolution passed on June 15, 2017)

INCORPORATED IN THE CAYMAN ISLANDS



Filed: 26-Jun-2017 09:13 EST

THE COMPANIES LAW (2016 REVISION)

COMPANY LIMITED BY SHARES

FIFTH 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 June 15, 2017)

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 offices of Vistra (Cayman) Limited, P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 - 1205 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.



Filed: 26-Jun-2017 09:13 EST

THE COMPANIES LAW (2016 REVISION)

COMPANY LIMITED BY SHARES

FIFTH 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 June 15, 2017)

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;



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

"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;



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"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 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



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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 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;



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- (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.
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



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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;
 - (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:



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- (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 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 (ie., 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



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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.

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



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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.

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.



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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.
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.



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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
 - (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



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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.
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



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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.
- 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



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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.
- 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



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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.

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);



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- (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.

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



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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.

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



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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.
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



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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 TSE, 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 respect 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 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



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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.

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



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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



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supervisors (if any); and (ii) the Independent Directors shall only be elected and approved by the Shareholders from the list of candidates for Independent 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.



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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 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.



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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.
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



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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.

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;



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- (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.

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.



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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. 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.



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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:
- (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;



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- (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.

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.



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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 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



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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%) 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



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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;
 - (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.



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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 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:
- (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) 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;
 - (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.

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:



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- (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.

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



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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.
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.



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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.



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Tanvex BioPharma, Inc.

Rules of Directors Election

Article 1 These rules are established in accordance with Article 21 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for the purpose of establishing a sound directors election system of the Company.

Article 2 The election of directors of the Company shall be carried out in compliance with these rules, unless otherwise provided by statutes, regulations or the Company's Memorandum and Article of Association.

Article 3 The overall composition of the board of directors shall be taken into consideration in the election of directors of the Company. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. basic requirements and values: gender, age, nationality, and culture etc.
2. professional knowledge and skills: professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience etc.

Each board member shall generally possess the necessary knowledge, skills, and experience to perform their duties; the abilities that the board must possess as a whole are as follows:

1. ability to make judgments about operations
2. accounting and financial analysis ability
3. business management ability
4. crisis management ability
5. knowledge of the industry
6. international market perspective
7. leadership ability
8. decision-making ability

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of the Company shall consider adjusting its composition based on the results of performance evaluation.

Article 4 The qualifications of independent directors of the Company shall conform to Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of the Company shall conform to Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 5 The elections of directors of the Company shall be conducted in accordance with the nomination system and procedures set out in Article 192-1 of the Company Act. The Company shall review the qualifications, education, work experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and supervisors and may not arbitrarily add requirements for documentation of other qualifications. The Company shall further provide the results of the review to shareholders for their reference, so that qualified directors will be elected.

When the number of directors falls below five due to the dismissal of any director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one-third of the total number prescribed in the articles of incorporation of the Company, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation Rules Governing the Review of Listings, or subparagraph 8 of the Standards for Determining Unsuitability for TPEX Listing under Article 10, Paragraph 1 of the Taipei Exchange Rules Governing the Review of Securities for Trading on the TPEX, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6 A board meeting shall be held at the premises and during the business hours of the Company, or at a place and time convenient for all directors to attend and suitable for holding board meetings.

Article 7 The Company shall adopt the cumulative voting mechanism to elect directors. Each share has ballot s in the amount of the number of directors to be elected, and the ballots may be casted for one or more candidates.

Article 8 The board of directors shall prepare the form of ballot for the election of directors of the Company with the numbers of ballots filled therein, and dispatch the form to each attending shareholder. The register of voters can be replaced by the attendance number printed in the form of ballot.

Article 9 The number of directors of the Company will be as specified in the articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective

numbers of votes.. If two or more nominees receive the same number of ballot cast and the remaining vacancy is insufficient, the director elect shall be decided by lot. If any nominee is not present, the chairperson shall draw the lot on his or her behalf.

The Company shall not elect supervisors if an Audit Committee is established.

The election of directors and independent directors shall be concurrently proceeded, with the number of electees calculated respectively.

Article 10 Before the election, the chairperson shall appoint several shareholders as scrutineers and ballot counters for relevant works. The board of directors shall prepare ballot boxes for the election of directors, which shall be examined in public by the scrutineers before the election.

Article 11 In the event that the candidate is a shareholder, the voter shall fill the name and number of the candidate's shareholder ID in the "candidate" section of the ballot; while in the event that the candidate is not a shareholder, the voter shall fill the name and ID number of the candidate therein. In the event that the candidate is a governmental body or other legal entity, the voter shall fill therein the name of the governmental body or the legal entity (or together with the name of the representatives thereof). If there are several representatives, their names shall be filled in the ballot respectively.

Article 12 A ballot is invalid if:

1. it is not provided according to these Rules;
2. it is blank when being put into the ballot box;
3. the handwriting is crabbed or altered;
4. in the event that the nominee is a shareholder, the name or the shareholder ID number filled therein is inconsistent with those registered in the shareholder list; or in the event that the nominee is not a shareholder, the name or citizen ID number filled therein is inconsistent with those registered in the authority;
5. any script other than the names or number of the nominees' citizen ID (or shareholder ID) or the respective ballots is written thereon;
6. the names or number of the nominees' citizen ID (or shareholder ID) is not filled therein; or
7. two or more nominees are filled in the ballot.

Article 13 Ballots shall be counted immediately and the chairperson shall announce the results right on the spot, including the list of directors elected and the ballots they obtained.

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

Article 14 An election of the electee that fails to conform to TWSE/TPEX listing laws and regulations, including, without limitation, Article 26-3, paragraphs 3 and 4 of the Securities and

Exchange Act of Taiwan, will become invalid.

Article 15 The board of directors shall issue a certificate to the directors elected respectively.

Article 16 Establishment of and amendment to these rules shall be subject to the adoption by the general meeting.

【Appendix 5】

Tancex BioPharm, Inc.
Shareholdings of all Board Directors

1. As of April 15, 2018, Current 3rd term Board Directors shareholdings and shareholdings are as follows:

Common shares issued:	216,992,061 shares
Legal minimum holding of all directors in number of shares:	12,000,000 shares

2. As of April 15, 2018, all Board members' shareholdings are as follows:

Record Date: April 15, 2018

Title	Name	Shareholding as of Record Date	
		Number of Shares	Shareholding %
Chairman	Peng-Lin Investment Limited Representative: Chen, Chi-Chuan	70,566,999	32.52%
Director	Peng-Lin Investment Limited Representative: Cho, Lung-Yeh		
Director	Allen Chao and Lee Hwa Chao Family Trust Representative: Allen Chao	16,888,022	7.78%
Director	Hsia Family Trust Representative: David Hsia	2,442,430	1.13%
Director	Delos Capital Fund, LP Representative: Chen, Lin-Cheng	14,400,000	6.64%
Director	Yen, Yun	273,748	0.13%
Independent Director	Tsai, Jin-Pau	0	0
Independent Director	Chang, Lee-Chiou	0	0
Independent Director	Shih, Chuan	0	0
Total		104,571,199	48.19%

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.