

Stock Code : 4105



台灣東洋藥品工業股份有限公司
TTY BIOPHARM COMPANY LIMITED

2018

First Extraordinary General Meeting Hand Book

Meeting Date: November 22, 2018

Meeting Venue: Building E, 4th Floor, No.19-11, Sanchong Rd., Nangang Dist.,
Taipei City, Taiwan
(Room 447, Nankang Software Incubator)

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2018 FIRST EXTRAORDINARY GENERAL MEETING (THE “AGENDA”) OF TTY BIOPHARM COMPANY LIMITED (THE “COMPANY”). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE. THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE HANDBOOK SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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I. Meeting Procedure

Time: November 22, 2018 (Thursday) 9:00 AM

Location : Room 447, Nankang Software Incubaor

(Address: Building E, 4F., No. 19-11, Sanchong Rd., Nangang Dist., Taipei City, Taiwan)

Meeting procedures: I. Calling to the Meeting Order (announcement of attending shares)

II. Chairman Address

III. Discussion Items

1. Amendment of “Article of Incorporation”

IV. Election Items

1. Beforehand reelection of member of Board of Directors

V. Other Items

1. Release of non-competition restrictions for Directors

VI. Extemporaneous Motions

VII. Adjournment

II. Discussion Items

Item One:

(Proposed by the Board of Directors.)

Amendment of “Article of Incorporation”

Description:

1. The “Articles of Incorporation” is proposed to amend in accordance with actual operating needs.
2. Please refer to the Attachment 1 (Page 5) for Articles of Incorporation Amendment Comparison Table.

Resolution:

III. Election Items

Item One:

(Proposed by the Board of Directors.)

Beforehand reelection of member of Board of Directors

Description:

1. The service terms of current Directors of the Company will be matured on June 23, 2019. To fulfill corporate governance, Chairman of the Company would be natural person but not representative of institution. Extraordinary General Meeting will be held on November 2, 2018 to reelect all member of the Board.
2. According to article 14 of the Article of Incorporation, ten Directors (including three Independent Directors) will be elected for the Board. All of Directors shall be elected through the candidate nomination procedure. The service term for elected Directors is three years, since November 22, 2018 to November 21, 2021.
3. The Director and Independent Director candidate list was reviewed by the Board on October 26, 2018. Please refer to Attachment 2(Page 6-10) for detailed Director and Independent Director candidate list.

Voting Result :

IV. Other Items

Item One:

(Proposed by the Board of Directors.)

Release of non-competition restrictions for Directors

Description:

1. According to article 209 of the Company Act, 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 general meeting on the essential contents of such an act and obtain its approval.
2. The Company's director has invested, managed or has been a director for companies of which business scope is similar to the Company's. It will be proposed to release such directors from non-competition restrictions for the actual operation need and no harm to the Company's interest.
3. Please refer to Attachment 3 (Page11-12) for Details of Director Candidates' Concurrent Positions at Other Companies.

Resolution:

V. Extemporary Motions

VI. Attachment

Attachment 1

Articles of Incorporation Amendment Comparison Table

Before amendment	After amendment	Reason for amendment
<p>Article 21 Where the Company earns annual profits, <u>1</u>% to <u>8</u>% shall be allocated as employee compensations and a maximum of 2% shall be allocated as director compensations. Where the Company still has accumulated losses, profits shall be retained to recover for such losses.</p>	<p>Article 21 Where the Company earns annual profits, <u>0.5</u>% to <u>10</u>% shall be allocated as employee compensations and a maximum of 2% shall be allocated as director compensations. Where the Company still has accumulated losses, profits shall be retained to recover for such losses.</p>	<p>Increase the flexibility to allocate employee compensations.</p>
<p>Article 28 These articles were formulated on June 23, 1960. The first amendment was made on June 17, 1966 ∴ The thirty-seventh amendment was made on June 16, 2017</p>	<p>Article 28 These articles were formulated on June 23, 1960. The first amendment was made on June 17, 1966 ∴ The thirty-seventh amendment was made on June 16, 2017 <u>The thirty-eight amendment was made on November 22, 2018</u></p>	<p>Revised date added.</p>

Attachment 2

List of Director and Independent Director Candidates (Nominated by 1%+ Shareholders)

Category	Name	Gender	Major Education and Experience	Shares Held (shares)
Director	Lin, Chuan	Male	<p><u>Education</u> Ph.D., Economics, University of Illinois at Urbana-Champaign, USA</p> <p><u>Current Position</u></p> <ul style="list-style-type: none"> • Chairman, TTY Biopharm Co., Ltd. <p><u>Experience</u></p> <ul style="list-style-type: none"> • Premier, Executive Yuan, R.O.C. • CEO, New Frontier Foundation • Chairman, Vanguard International Semiconductor Co. • Minister, Directorate-General of Budget, Accounting and Statistics, Executive Yuan, R.O.C. • Director General, Department of Finance, Taipei City Government • Professor, Department of Public Finance, National ChengChi University • Researcher, Chung-Hua Institution for Economic Research 	56,000
Director	Chang, Wen-Hwa	Female	<p><u>Education</u> MBA, Manmos College Bachelor, Department of Accounting, Soochow University</p> <p><u>Current Position</u></p> <ul style="list-style-type: none"> • Vice Chairman, TTY Biopharm Co., Ltd. <p><u>Experience</u></p> <ul style="list-style-type: none"> • Director, Arich Investment Company Limited • Director, American Taiwan Biopharma Philippines Inc. • Supervisor, EnhanceX Inc. • Director, TSH Biopharm Company Limited • Director, Chuang Yi Biotech Co., Ltd. • Director, PharmaEngine, Inc. • Director, Arich Enterprise Co., Ltd. • Vice General Manager of Operations, Arich Enterprise Co., Ltd. • CFO, Arich Enterprise Co., Ltd. 	4,308,800
Director	Dawan Technology Company Limited. Representative: Hsiao, Ying-Chun	Male	<p><u>Education</u> BS., School of Pharmacy, Taipei Medical University</p> <p><u>Current Position</u></p> <ul style="list-style-type: none"> • Director, TSH Biopharm Company Limited 	22,123,732

Category	Name	Gender	Major Education and Experience	Shares Held (shares)
			<ul style="list-style-type: none"> General Manager, TTY Biopharm Co., Ltd. <p><u>Experience</u></p> <ul style="list-style-type: none"> Chairman, Dawan Technology Company Limited Director, American Taiwan Biopharma Philippines Inc. Director, American Taiwan Biopharm Co., Ltd. Director, EnhanX Inc. Chairman, TTY Biopharm Co., Ltd. Executive Vice General Manager, TTY Biopharm Co., Ltd. 	
Director	Yang, Tze-Kaing	Male	<p><u>Education</u></p> <p>MBA of University of Illinois at Urbana-Champaign</p> <p>Ph.D of Business Administration, National Chengchi University</p> <p><u>Current Position</u></p> <ul style="list-style-type: none"> Director, TTY Biopharm Co., Ltd. Independent Director, DBS Bank (Taiwan) Ltd. Director, Taiwan Stock Exchange Corporation Director, Asustek Computer Inc. Director, Pegatron Corporation Director, Chien Kuo Construction Co., Ltd. <p><u>Experience</u></p> <ul style="list-style-type: none"> Chairmen, Yangtze Associates Director and General Manager, Huiyang Private Equity Fund Co., Ltd. Director, Airiti Inc. Director, Hon Yang Healthcare Director, Huacheng Capital Co., Ltd. Deputy Minister, Ministry of Finance, R.O.C. Executive Secretary, National Development Fund, Executive Yuan Managing Director and Chairman, Bank of Taiwan General Manager, China Development Industrial Bank 	0
Director	Chang, Hsiu-Chi	Male	<p><u>Education</u></p> <p>EMBA, National Taiwan University College of Management</p> <p>BS., School of Pharmacy, Taipei Medical University</p> <p><u>Current Positon (note)</u></p> <ul style="list-style-type: none"> Director, TTY Biopharm Co., Ltd. Director, Reber Genetics Company Limited. 	2,143,686

Category	Name	Gender	Major Education and Experience	Shares Held (shares)
			<ul style="list-style-type: none"> • Director, TheVax Genetics Vaccine Company Limited <p><u>Experience</u></p> <ul style="list-style-type: none"> • Director, Purzer Pharmaceutical Company Limited • Director, Yuan-Hwa Biotechnology Enterprise Company Limited • Director, AnnJi Pharmaceutical Company Limited • Chairman, Yuen Hung Investment Company Limited • Director, HealthBanks Biotech Company Limited • Director, Nung Pao Biotech Company Limited. • Director, Stemgen Biotech Holding Limited • Director, Asiacord Biotech(BVI) Company Limited • Director, Sheng Rong Biotech Company Limited. • Director, Chi Chun Consulting Management Company Limited. • Director, KamZea Corporation Limited. • Director, Top Horizon Company Limited • Director, Aaxter International Limited • Director, Bio HK Limited 	
Director	Liao, Ying-Ying	Female	<p><u>Education</u> MBA, University of Missouri, USA</p> <p><u>Current Position</u></p> <ul style="list-style-type: none"> • Director, TTY Biopharm Co., Ltd. <p><u>Experience</u></p> <ul style="list-style-type: none"> • Director, cnYES.com Company Limited • Director, Evenstar Master Fund SPC • Director, Evenstar Capital Management Limited • Supervisor, ECOVE Environment Corp. • Senior Assist Vice President, Fubon Securities Co. Ltd. • Manager, Fubon Securities Co. Ltd. • Junior Manager, Taiwan Securities Co. Ltd. 	0
Independent Director	Tsai, Duei	Male	<p><u>Education</u> Ph.D., Graduate Institute of Electrical Engineering, National Taiwan University</p> <p><u>Current Position</u></p> <ul style="list-style-type: none"> • Independent Director, TTY Biopharm Co., Ltd. • Independent Director, Compal Electronics, Inc. • Independent Director, Taiwan Taxi Co., Ltd. • Independent Director, Getac Technology 	0

Category	Name	Gender	Major Education and Experience	Shares Held (shares)
			<p>Corporation</p> <p><u>Experience</u></p> <ul style="list-style-type: none"> • Adjunct Professor, Department of Electrical Engineering, National Taipei University of Technology • Adjunct Professor, National Taiwan University of Science and Technology • Minister, Ministry of Transportation and Communications R.O.C. • Director General, Civil Aeronautics Administration, Ministry of Transportation and Communications R.O.C. • Deputy Director General, Directorate General of Telecommunications, Ministry of Transportation and Communications R.O.C. 	
Independent Director	Hsueh, Ming-Ling	Male	<p><u>Education</u></p> <p>MS., Graduate Institute of Accounting, Soochow University</p> <p>MBA, Bloomsburg University, Pennsylvania, USA</p> <p><u>Current Position</u></p> <ul style="list-style-type: none"> • Independent Director, TTY Biopharm Co., Ltd. • Independent Director, Lite-On Technology Corp. • Independent Director, Walsin Lihwa Corporation • Independent Director, Yuanta Financial Holdings and Yuanta Commercial Bank <p><u>Experience</u></p> <ul style="list-style-type: none"> • Adjunct Professor, School of Management, National Taiwan University of Science and Technology • Chairman, PricewaterhouseCoopers Taiwan • Adjunct Associate Professor, College of Technology Management, National Tsing Hua University • Member of the Committee in charge of the examination affairs and qualification screening for professional and technologies, Examination Yuan • Director, Corporate Governance Association in Taiwan 	0
Independent Director	Lin, Tien-Fu	Male	<p><u>Education</u></p> <p>General Program, Yu Da Institute of Business</p>	0

Category	Name	Gender	Major Education and Experience	Shares Held (shares)
			<p>Intermediate Accounting Group, Center for Public Administration and Business Management Education, National Chengchi University, Accounting Training Session 52 Common Accounting Group and Session 57</p> <p><u>Current Position</u></p> <ul style="list-style-type: none"> • Independent Director, TTY Biopharm Co., Ltd. • Chairman, Yuanta Futures Co., Ltd. <p><u>Experience</u></p> <ul style="list-style-type: none"> • General Manager, Yuanta Securities Co., Ltd. • Executive Vice General Manager, Yuanta Securities Co., Ltd. • Vice Chairman, Yuanta Securities Finance Co., Ltd. • General Manager, Fuhwa Securities Co., Ltd. 	

Note:

- Mr. Chang, Hsiu-Chi's career in the pharmaceutical industry has spanned for over 20 years with executive leadership closely managing other businesses within the sector. His extensive knowledge and experience in medical products are imperative to the strategic development of TTY.
- The qualification of above director candidate was reviewed by the Board on October 26, 2018

Attachment 3

Details of Director Candidates' Current Positions at Other Companies

Title	Name	Concurrent positions at other companies
Director	Chang, Wen-Hwa	<ul style="list-style-type: none"> • Director, Arich Investment Company Limited • Director, American Taiwan Biopharma Philippines Inc.(1)
Director	Dawan Technology Company Limited. Representative: Hsiao, Ying-Chun	<ul style="list-style-type: none"> • Director, TSH Biopharm Company Limited (1) • Chairman, Dawan Technology Company Limited • Director, American Taiwan Biopharma Philippines Inc. (1) • Director, American Taiwan Biopharm Co., Ltd. (2) • Director, EnhanceX Inc. (1)
Director	Yang, Tze-Kaing	<ul style="list-style-type: none"> • Chairmen, Yangtze Associates • Director and General Manager, Huiyang Private Equity Fund Co., Ltd. • Independent Director, DBS Bank (Taiwan) Ltd. • Director, Taiwan Stock Exchange Corporation • Director, Asustek Computer Inc. • Director, Pegatron Corporation • Director, Chien Kuo Construction Co., Ltd. • Director, Airiti Inc. • Director, Hon Yang Healthcare • Director, Huacheng Capital Co., Ltd.
Director	Chang, Hsiu-Chi	<ul style="list-style-type: none"> • Director, Purzer Pharmaceutical Company Limited • Director, Yuan-Hwa Biotechnology Enterprise Company Limited • Director, AnnJi Pharmaceutical Company Limited • Chairman, Yuen Hung Investment Company Limited • Director, HealthBanks Biotech Company Limited • Director, Reber Genetics Company Limited. • Director, Nung Pao Biotech Company Limited. • Director, TheVax Genetics Vaccine Company Limited • Director, Stemgen Biotech Holding Limited • Director, Asiaccord Biotech(BVI) Company Limited • Director, Sheng Rong Biotech Company Limited. • Director, Chi Chun Consulting Management Company Limited. • Director, KamZea Corporation Limited. • Director, Top Horizon Company Limited • Director, Aaxter International Limited • Director, Bio HK Limited
Director	Liao, Ying-Ying	<ul style="list-style-type: none"> • Director, cnYES.com Company Limited • Director, Evenstar Master Fund SPC • Director, Evenstar Capital Management Limited
Independent Director	Tsai, Duei	<ul style="list-style-type: none"> • Independent Director, Compal Electronics, Inc. • Independent Director, Taiwan Taxi Co., Ltd. • Independent Director, Getac Technology Corporation

Title	Name	Concurrent positions at other companies
Independent Director	Hsueh, Ming-Ling	<ul style="list-style-type: none"> • Independent Director, Lite-On Technology Corp. • Independent Director, Walsin Lihwa Corporation • Independent Director, Yuanta Financial Holding Co., Ltd. • Independent Director, Yuanta Commercial Bank
Independent Director	Lin, Tien-Fu	<ul style="list-style-type: none"> • Chairman, Yuanta Futures Co., Ltd.

Note:

- (1) Controlled subsidiaries
- (2) Investment accounted under the equity method

VII. Appendix

Appendix 1

Articles of Incorporation

(Before amendment of 2018 First Extraordinary General Meeting)

Chapter 1 General Provisions

Article 1 The Company has been named TTY Biopharm Co., Ltd. pursuant to relevant regulations set forth in the Company Act.

Article 2 Business areas of the Company are as follows:

1. C801010 Basic Industrial Chemical Manufacturing
2. C802041 Western Medicine Manufacturing
3. F108021 Wholesale of Western Medicine
4. F208021 Retail Sale of Western Medicine
5. F108031 Wholesale of Medical Equipments
6. F208031 Retail Sale of Medical Equipments
7. C802060 Animal Use Medicine Manufacturing
8. C802070 Pesticide Manufacturing
9. C802080 Environmental Agents Manufacturing
10. C802100 Cosmetics Manufacturing
11. C804020 Industrial Rubber Products Manufacturing
12. C804990 Other Rubber Products Manufacturing
13. C901020 Glass and Glass Made Products Manufacturing
14. CF01011 Medical Materials and Equipment Manufacturing
15. F102170 Wholesale of Food and Grocery
16. F203010 Retail Sale of Food, Grocery, and Beverages
17. IG01010 Biotechnology Services
18. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

Article 3 The Company may formulate regulations governing external endorsements/guarantees pursuant to relevant government regulations subject to ratification by the shareholder meeting. All guarantees shall be approved by the board of directors and included in the meeting minutes of board meetings before coming into effect.

Article 4 The total reinvestment amount may exceed 40% of the paid-in capital. Reinvestment related matters shall be approved by the board of directors and included in the meeting minutes of board meetings before coming into effect.

Article 5 The Company has its domicile in Taipei City and may establish branches in other suitable locations if deemed necessary.

Article 6 Public announcements of the Company shall be handled in accordance with the regulations set forth in Article 28 of the Company Act.

Chapter 2 Shares

Article 7 The total capital of the Company is NT\$ 3.5 billion divided into 350 million shares. The par value of each share is NT\$ 10. The board of directors shall be authorized to issue these shares in subsequent offerings.

Article 8 All stocks of the Company shall be inscribed and a minimum of three board directors shall affix their signatures and seals. Stocks shall be issued upon certification in

accordance with relevant laws.

Article 8.1 It shall not be required to print stocks for shares issued by the Company, but shares shall be registered upon negotiation with centralized securities depository enterprises

Article 9 Transfer, inheritance, grants, pledge, loss, or other stock related services shall be handled pursuant to the Regulations Governing the Administration of Stock Affairs by Public Companies and other relevant laws and regulations.

Article 10 Stock name change and transfer shall be suspended within 60 days prior to the convening of Regular Shareholders Meetings, thirty days prior to Extraordinary Shareholders Meetings, and five days prior to the distribution of stock dividends by the Company or the record date of other benefits.

Chapter 3 *Shareholders Meeting*

Article 11 Annual Shareholders Meetings shall be convened by the board of directors within 6 months upon the end of the accounting year. Extraordinary Shareholders Meetings may be convened when deemed necessary in accordance with relevant laws.

Article 12 Shareholders shall be entitled to one vote per share unless relevant laws stipulate otherwise.

Article 12.1 Where shareholders are for any reason unable to personally attend shareholders meetings, they may assign a proxy by presenting a power of attorney printed and issued by the Company. Relevant matters shall be handled in accordance with the regulations set forth in Article 177 of the Company Act and the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

Article 13 Board resolutions require the attendance of shareholders representing a majority of the issued voting shares unless relevant laws stipulate otherwise as well as the approval of the majority of the voting rights represented at the meeting.

Article 13.1 Resolution items of the shareholders meeting shall be compiled into meeting minutes with the affixed signature and seal of the chairperson. These minutes shall be distributed or made known to the shareholders per public notice within 20 days after the meeting. The meeting minutes shall specify the date, location, name of chair, resolution methods, main agenda items, and results. The minutes shall be preserved permanently. The shareholder attendance book and the powers of attorney for proxies shall be preserved for a minimum of one year. Where litigation is initiated by shareholders pursuant to Article 189 of the Company Act, said documents shall be preserved until the conclusion of litigation.

Chapter 4 *Directors*

Article 14 The Company shall appoint 7 to 11 board directors. The number of directors elected shall be determined in a board meeting. And a candidate nomination system shall be adapted and the shareholders meeting shall elect directors from the list of candidates. They shall serve for a term of three years. And They may serve consecutive terms if reelected.

At least of the aforementioned 5 to 11 directors and 20% of the aforementioned quota shall be independent directors. The professional qualifications, shareholding ratios, concurrent appointment restrictions, nomination and election methods, and other matters for compliance shall be based on relevant regulations of the authorities in

- charge of securities.
- Article 14.1 When terms of directors expire prior to elections, terms may be extended until the newly elected directors assume office. The total number of inscribed stocks held by the directors of the Company shall conform to the standards prescribed in the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies made public by the competent authority.
- Article 14.2 When director vacancies account for 1/3, the board shall convene a shareholders' meeting to hold a by-election in accordance with relevant laws. Elected directors shall serve for the remainder of the original terms.
- Article 14.3 Board meetings shall be convened annually.
Directors shall be notified of the reasons for the scheduling of board meetings seven days in advance. Meetings may be convened on an ad-hoc basis in case of emergencies.
Directors shall be notified of scheduled meetings in writing, by fax, or by e-mail.
- Article 14.4 The board of directors may establish an Audit Committee, a remuneration committee, or other functional committees to meet the needs of business operations. The Audit Committee shall be composed of the independent directors.
The responsibilities, organizational charter, exercise of authority, and other compliance items pertaining to the Audit Committee shall be based on relevant regulations of the authorities in charge of securities and the Company.
- Article 15 The board is composed of directors who shall elect a chairperson and vice chairperson from among their ranks. The chairperson and vice chairperson shall be elected by a majority of the board directors in attendance with an attendance rate of at least 2/3.
- Article 16 Where the chairperson is on leave or for any reason unable to exercise his/her powers, an acting chairperson shall be appointed pursuant to the regulations set forth in Article 208 of the Company Act.
- Article 16.1 Board directors shall personally attend board meetings. The assignment of proxies shall conform to the regulations set forth in Article 205 of the Company Act. Where board meetings are conducted by video conference, participation in the conference shall be viewed as personal attendance.
- Article 17 All business policies and key items of the Company shall be handled in accordance with board resolutions. All board resolutions require the attendance of a majority of board directors and approval by a majority of the directors in attendance unless relevant regulations set forth in the Company Act stipulate otherwise.
- Article 18 The Company may purchase liability insurance for its directors to reduce the risk of litigation initiated by shareholders or other stakeholders due to the exercise of their duties in accordance with relevant laws.
- Chapter 5** **Managers**
- Article 19 The Company shall appoint managers. The appointment, dismissal, and remuneration thereof shall be handled pursuant to Article 29 of the Company Act.
- Chapter 6** **Accounting**
- Article 20 The accounting year runs from January 1 to December 31. Accounts shall be settled at the end of every year. Upon settlement of accounts, the board of directors shall create the following documents and forms which These documents and the review report shall be submitted to the shareholders meeting for ratification in accordance

with relevant laws.

1. Business report.
2. Financial statement.
3. Surplus allocation or loss make-up proposal.

Article 21 Where the Company earns annual profits, 1% to 8% shall be allocated as employee compensations and a maximum of 2% shall be allocated as director and supervisor compensations. Where the Company still has accumulated losses, profits shall be retained to make of for such losses.

Article 22 Where surpluses are recorded upon annual settlement of accounts, 10% shall be appropriated as legal reserve upon payment of taxes and making up for previous losses in accordance with relevant laws unless the Legal Reserve has reached the Company's total paid-in capital. The remaining profits shall be set aside for special reserve in accordance with the laws, regulations, or the business requirements. Any further remaining profits plus unappropriated earnings shall be distributed in accordance with the proposal submitted by the Board for approval at a shareholders' meeting.

Article 23 In accordance with stock dividend allocation procedures, the board of directors shall formulate surplus distribution proposals in consideration of company profits, capital and financial structure, future business demands, accumulated surplus, legal reserves, and market competition conditions at the end of every year. These proposals shall be implemented upon resolution of the shareholders meeting.

Article 24 The Company shall adopt a dividend equalization policy to ensure a sound financial structure and safeguard investor rights and interests. A minimum of 50% of distributable surpluses in the respective year shall be distributed as stock dividends. A minimum of 70% of the allocated stock dividends in the respective year shall be distributed in form of cash dividends.

Article 25 The board of directors shall be authorized to determine the compensation for the execution of duties by board directors and supervisors based on their level of participation and the value of their contributions to company operations regardless of profits and losses incurred by the Company with reference to prevailing industry standards. In case of surpluses, rewards shall be granted pursuant to the regulations set forth in Article 21.

Chapter 7 *Supplementary provisions*

Article 26 The organizational charter and detailed work rules shall be formulated elsewhere by the board of directors.

Article 27 Matters not specifically covered in these articles of Incorporation shall be handled pursuant to regulations set forth in the Company Act and relevant laws.

Article 28 These articles of incorporation were formulated on June 23, 1960.
They were amended for the first time on June 17, 1966.
They were amended for the second time on June 17, 1967.
They were amended for the third time on January 22, 1968.
They were amended for the fourth time on September 20, 1969.
They were amended for the fifth time on September 11, 1978.
They were amended for the sixth time on September 30, 1980.
They were amended for the seventh time on November 25, 1982.

They were amended for the eighth time on March 28, 1986.
They were amended for the ninth time on February 2, 1989.
They were amended for the tenth time on May 10, 1990.
They were amended for the eleventh time on October 12, 1991.
They were amended for the twelfth time on December 2, 1993.
They were amended for the thirteenth time on July 24, 1995.
They were amended for the fourteenth time on July 25, 1997.
They were amended for the fifteenth time on October 7, 1997.
They were amended for the sixteenth time on November 27, 1997.
They were amended for the seventeenth time on May 22, 1998.
They were amended for the eighteenth time on June 25, 1999.
They were amended for the nineteenth time on March 24, 2000.
They were amended for the twentieth time on December 22, 2000.
They were amended for the twenty-first time on June 8, 2001.
They were amended for the twenty-second time on June 8, 2001.
They were amended for the twenty-third time on May 13, 2002.
They were amended for the twenty-fourth time on May 13, 2002.
They were amended for the twenty-fifth time on May 19, 2003.
They were amended for the twenty-sixth time on May 19, 2003.
They were amended for the twenty-seventh time on June 1, 2004.
They were amended for the twenty-eighth time on June 1, 2004.
They were amended for the twenty-ninth time on June 10, 2005.
They were amended for the thirtieth time on June 14, 2006.
They were amended for the thirty-first time on June 19, 2009.
They were amended for the thirty-second time on June 25, 2010.
They were amended for the thirty-third time on June 22, 2012.
They were amended for the thirty-fourth time on June 25, 2013.
They were amended for the thirty-fifth time on June 16, 2015.
They were amended for the thirty-sixteenth time on June 24, 2016.
They were amended for the thirty- seventh time on June 16, 2017.

Appendix 2

Regulations for Election of Directors

- Article 1 Election of directors shall be acted upon in accordance with these regulations.
- Article 2 The Company's directors shall be elected from those who have capacity to make juridical acts by shareholders' meeting.
- Article 3 Election of directors shall proceed according to cumulative voting principles. For voters' registration, shareholder attendee card numbers may be substituted for voters' names.
- Article 4 In the election for the directors, unless otherwise provided by the Company Act or the Articles of Incorporation of the Company, each common share is entitled to the number of voting rights equivalent to the numbers of directors to be elected; election ballots of the number equal to the number of the director(s). Votes may be cast for only one candidate or a few candidates.
- Article 5 In the election of directors of the Company, votes of independent directors and non-independent directors elected shall be calculated separately.
Candidates who acquire more votes should win the seats of directors. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the Chairman shall draw lots on behalf of the candidate who is not present.
- Article 6 The board of directors shall prepare election ballots of the number equal to the number of the director(s) that shall be elected, bearing the number of voting rights. The election ballots shall be distributed to the common shareholders who are present at the shareholders' meeting.
- Article 7 Before voting commences, the chairperson shall appoint ballot counter and scrutinizer who is shareholder to record and check the ballots.
- Article 8 The Board of Directors shall set up the ballot box and have such box checked by scrutinizer in public before the voting.
- Article 9 If the candidate is a shareholder, the voter must fill in the candidate's shareholder account name and account number in the "Candidate" box on the ballot and throw in the ballot box. If the candidate is not a shareholder, the voter shall fill in the candidate's name and identification number in the "Candidate" box on the ballot. However, if a candidate is a government department or a corporate shareholder, the voter shall fill in the candidate's full government or corporate name and the full name of its representative. When there is more than one representative, their names should be separately indicated.
- Article 10 A ballot is invalid under any of the circumstances listed below.
1. A ballot is not prepared according this regulation.
 2. The blank ballot was cast in the ballot box.
 3. Illegible handwriting or corrections without regulation compliance after erased or changed.
 4. If the write-in candidate is a shareholder, the account name or account number written on the ballot is inconsistent with the shareholder list.
If the write-in candidate is not a shareholder, the candidate's name, ID or government uniform invoice (GUI) number written on the ballot cannot be validated or is inconsistent.
 5. The number of write-in candidates is two or more than two candidate.
 6. Other words or marks are written in addition to the candidate name, shareholder account number, or ID card or government uniform invoice (GUI) number.
 7. The write-in candidate's name is same as another shareholder but does not provide account number or ID number to verify.

- Article 11 The ballot box should be opened by scrutinizer at the spot and calculated by ballot counter right after the vote casting.
- Article 12 The ballots shall be counted immediately under the supervision of the scrutinizer(s). The chairman shall announce the results of the election at the spot.
- Article 13 The matters not provided in this rule shall be subject to the Company Act and related regulations.
- Article 14 These Rules and any revision thereof shall be effective once approved by a shareholders' meeting.

Appendix 3

Shareholders' Meeting Rules

1. Shareholders Meetings of the Company shall be handled in accordance with these rules unless regulations set forth in relevant laws stipulate otherwise.
2. Shareholders Meetings 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. The number of shares in attendance shall be calculated based on the attendance book or handed in sign-in cards.
3. Attendance and voting rights at shareholders meetings shall be calculated based on numbers of shares.
4. The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
5. Where 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 his/her powers, the vice chairperson shall act in place of the chairperson; if the vice chairperson also is on leave or for any reason unable to exercise his/her powers, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair. Where a shareholders' meeting is convened by a person with the power to convene other than the directors, the convener shall serve as chair.
6. The Company may dispatch its attorneys, certified public accountants, or related persons to attend a shareholders' meeting. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
7. The shareholders meeting proceedings shall be audio or video recorded. These records shall be preserved for a minimum of one year.
8. The chair 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 chair may announce a postponement. 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, 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. When the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.
9. 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 chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda as specified in the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. Upon adjournment of meetings, shareholders shall not elect another chair to resume the meeting at the original location or a different venue.
10. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. 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. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the

shareholder that has the floor; the chair shall stop any violation.

11. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the regulations set forth in the preceding paragraph or exceeds the scope of the agenda item, the chair may terminate the speech.
12. When a juristic person is commissioned to attend a shareholders meeting as proxy, it may designate only one person to represent it in the meeting. 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.
13. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
14. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.
15. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair. All monitoring personnel shall be shareholders of this Corporation. The results of the voting shall be announced on-site at the meeting, and a record made of the vote.
16. When a meeting is in progress, the chair may order a recess based on time considerations.
17. Proposals shall be approved by a majority of the voting rights of attending shareholders unless stipulated otherwise in the Company Act or the articles of incorporation. If attending shareholders express no disagreement upon inquiry by the chair, the proposal shall be considered approved. The legal validity of this process shall be equivalent to voting.
18. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they shall 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.
19. The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
20. These rules and all amendments thereof shall come into effect upon ratification by a Shareholders' Meeting

Appendix 4

Shareholdings of Directors

Date: October 24, 2018

Title	Name	Shares held in share register
Chairman	LIN, CHUAN, Legal Representative of DaWan Technology Co., Ltd.	22,123,732
Vice Chairman	CHANG, WEN-HWA	4,308,800
Director	YANG, TZE-KAING	—
Director	CHANG, HSIU-CHI	2,143,686
Director	TSENG, TIEN-SZU	3,346
Director	LIAO, YING-YING	—
Independent Director	TSAI, DUEI	—
Independent Director	HSUEH, MING-LING	—
Independent Director	LIN, TIEN-FU	—

Note:

1. 248,649,959 Common Shares issued on October 24, 2018.
2. Statutory minimum shareholding requirement for all directors is 12,000,000 shares and Shares held in share register is 28,579,564 shares
3. Since the Company has established an audit committee, statutory shareholding requirements for supervisors are not applicable.