

Stock code: 8427

Keysheen (Cayman) Holdings Co., Limited

2020 Annual General Shareholders' Meeting

## **Meeting Handbook**

Time: 9AM, June 30th, 2020 (Tuesday)

Venue: 2F, No. 213, Peishin Road Sec. 3, Shinden District, New Taipei City, Taiwan (Taipei Silicon Valley II International Convention Center- 2D)

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# **Chapter 1. Procedure of 2020 Annual General Meeting for Keysheen (Cayman) Holdings Co., Limited**

- I. Call Meeting to Order
- II. Chairman's Address
- III. Report Items
- IV. Ratification Items
- V. Discussion Items
- VI. Election Items
- VII. Other Items
- VIII. Questions and Motions
- IX. Meeting Adjourned

## **Chapter 2. Meeting Agenda of 2020 Annual General Meeting for Keysheen (Cayman) Holdings Co., Limited**

Time: 9AM, June 30th, 2020 (Tuesday)

Venue: 2F, No. 213, Peishin Road Sec. 3, Shinden District, New Taipei City, Taiwan (Taipei Silicon Valley II International Convention Center- 2D)

Procedures:

- I. Call meeting to order (report the total number of shares already attended)
- II. Chairman's Address
- III. Report Items
  - (I) 2019 business report.
  - (II) 2019 supervisors' audit review report on financial statements.
  - (III) 2019 Distribution report of earnings and cash dividend
  - (IV) 2019 Compensation report of employees, Directors and Supervisors
  - (V) Partial revision of Ethical Corporate Management Best Practice Principles
  - (VI) Partial revision of The Codes of Ethical Conduct
  - (VII) Partial revision of Rules and Procedure of Board of Directors Meeting
- IV. Ratification Items
  - (I) Adoption of 2019 business report and consolidated financial statements. Please acknowledge.
  - (II) Adoption of 2019 proposal for distribution of earnings. Please acknowledge.
- V. Discussion Items
  - (I) To approve the amendment of the articles of incorporation
  - (II) To approve the amendment of the procedures for acquisition or disposal assets
  - (III) To approve the amendments of the procedures for lending funds to other parties
  - (IV) To approve the amendment of the procedures for endorsements and guarantees
  - (V) To approve the amendment of the Procedure for Election of Directors and Supervisors
  - (VI) To approve the amendment of the Rules and Procedures of Shareholders' Meetings
- VI. Election Items
  - (I) To vote for the Re-election of Directors
- VII. Other Items
  - (I) To approve the Removal of Non-Competition Obligations for new Directors
- VIII. Questions and motions
- IX. Meeting Adjourned

### **Chapter 3. Report Items**

Proposal 1:

Motion: The 2019 business report. For your honor's approval.

Description:

- (I) The 2019 Business Report and related document is attached as hereto, please refer to #page 11-14 & 16-25#.

Proposal 2:

Motion: The 2019 supervisors' audit review report on financial statements. For your honor's approval.

Description:

- (I) The supervisors' audit review report, please refer to #page 15#.

Proposal 3:

Motion: The 2019 Distribution of Earnings and cash dividend. For your honor's approval.

Description:

- (I) According to the company's article of Incorporation, Article 132, all or part of the company's distribution of dividends and bonuses, if in the form of cash, shall be subject to the resolution passed by more than half of at least two-thirds of the directors, and shall be reported to the shareholders' meeting.
- (II) A cash dividend of NT\$38,576,570 from shareholder's dividends and bonus will be distributed. NT\$0.37 will be paid out per share. The cash dividend will be distributed to NT\$, round down to dollar. The total amount of dividends under NT \$1 is included in the company's other income.
- (III) This proposal was approved by the Board of Directors of the company on March 24, 2020, and authorized the chairman to set an alternative ex-dividend base date, payment date and decide other related matters; subsequently, if any change in the company's share capital affects the number of outstanding shares and results in changes in distribution ratio of cash dividends declared on common shares, the chairman of the Board of Directors is also authorized to make adjustments.

Proposal 4:

Motion: The 2019 Compensation report of employees, Directors and Supervisors. For your honor's approval.

Description:

- (I) The company's 2019 compensation of the employees is NT\$2,214,490 ; compensation of the Board of Directors and Supervisors is NT\$830,434, all paid out in the form of cash. Distribution to employees of subordinate companies that met certain conditions is included in the compensating of employees.
- (II) The company's employee compensation and director and supervisor compensation for 2019 were approved by the Board of Directors on March 24th, 2020.

Proposal 5:

Motion: Partial Revision of Ethical Corporate Management Best Practice Principles. For your honor's approval.

Description:

- (I) In accordance with the Taiwan Stock Exchange Corporation TaiZhengZhiLi No. 10800083781 on May 23, 2019, and the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19, 2018, the company replaced the Board of Supervisors with Audit Committee, therefore amended the Company's "Ethical Corporate Management Best Practice Principles".
- (II) For a comparison table of the amended provisions, please refer to page #26-35#.

Proposal 6:

Motion: Partial Revision of The Codes of Ethical Conduct. For your honor's approval.

Description:

- (I) In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19, 2018, the company replaced the Board of Supervisors with Audit Committee, therefore amended the Company's "The Codes of Ethical Conduct".
- (II) For a comparison table of the amended provisions, please refer to #page 36-38#.

Proposal 7:

Motion: Partial Revision of Rules and Procedure of Board of Directors Meeting. For your honor's approval.

Description:

- (I) In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 1080361934 on January 15, 2020 and JinKuanChengFa No. 10703452331 on December 19, 2018, the company replaced the Board of Supervisors with Audit Committee, therefore amended the Company's "Rules and Procedure of Board of Directors Meeting".
- (II) For a comparison table of the amended provisions, please refer to #page 39-43#.

## **Chapter 4. Ratification Items**

Proposal 1 (Proposed by the Board of Directors)

Motion: Adoption of the 2019 business report and consolidated financial statements. For your honor's approval.

Description:

- (I) The Company's 2019 Financial Statements were audited by independent auditors, Lu I-Chen, Lin Yi-Hui of Deloitte & Touche. The aforementioned Business Reports and Financial Statements were approved at the Board of Directors and reviewed by the Supervisors. Please refer to #page 11-14 & 16-25#.
- (II) Please acknowledge.

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Motion: Adoption of the 2019 proposal for distribution of earnings. Please acknowledge.

Description:

- (I) The 2019 Distribution of earnings was approved at the Board of Directors and reviewed by the Supervisors.
- (II) The distribution of 2019 earnings, please refer to #page 44#.
- (III) Please acknowledge.

Resolution:

## **Chapter 5. Discussion Items**

Proposal 1(Proposed by the Board of Directors)

Motion: To approve the amendment of the articles of incorporation. Please openly discuss the vote and decide.

Description:

- (I) In accordance with “the checklist of important matters concerning the protection of shareholders' equity for foreign issuer” by the Taiwan Stock Exchange, and the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19, 2018 to replace the Supervisors with Audit Committee. The company proposes that the Articles of Incorporation be amended.
- (II) Comparison table for the amendments of the Articles of Incorporation, please refer to #page 45-67#.

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Motion: To approve the amendment of the “procedures for acquisition or disposal assets”. Please openly discuss the vote and decide.

Description:

- (I) In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19, 2018 to replace the Supervisors with Audit Committee. The company proposes that the “Procedure for Acquisition or Disposal Assets” to be amended.
- (II) For a comparison table of the amended provisions, please refer to page #68-73#.

Resolution:

Proposal 3 (Proposed by the Board of Directors)

Motion: To approve the amendment of the “Procedures for Lending Funds to Other Parties”. Please openly discuss the vote and decide.

Description:

- (I) In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19, 2018 to replace the Supervisors with Audit Committee. The company proposes that the “Procedure for Acquisition or Disposal Assets” to be amended.
- (II) For a comparison table of the amended provisions, please refer to #page 74-77#.

Resolution:



Proposal 4 (Proposed by the Board of Directors)

Motion: To approve the amendment of the “Procedures for Endorsement and Guarantee”. Please openly discuss the vote and decide.

Description:

- (I) In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19, 2018 to replace the Supervisors with Audit Committee. The company proposes that the “Procedure for Endorsement and Guarantee” to be amended.
- (II) For a comparison table of the amended provisions, please refer to #page 78-81#.

Resolution:

Proposal 5 (Proposed by the Board of Directors)

Motion: To approve the amendment of the “Procedure for Election of Directors and Supervisors”. Please openly discuss the vote and decide.

Description:

- (I) In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19, 2018 to replace the Supervisors with Audit Committee. The company proposes that the “Procedure for election of Directors and Supervisors” to be amended into “Procedure for election of Directors”.
- (II) For a comparison table of the amended provisions, please refer to #page 82-85#.

Resolution:

Proposal 6 (Proposed by the Board of Directors)

Motion: To approve the amendment of the “Rules and Procedure of Shareholders Meeting”. Please openly discuss the vote and decide.

Description:

- (I) In accordance with the Taiwan Stock Exchange Corporation TaiZhengZhiLi No. 1080024221 on January 2, 2020, and the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19, 2018 to replace the Supervisors with Audit Committee. The company proposes that the “Rules and Procedure of Shareholders Meeting” to be amended.
- (II) For a comparison table of the amended provisions, please refer to #page 86-95#.

Resolution:

## **Chapter 6. Election Items**

Proposal 1 (Proposed by the Board of Directors)

Motion: To vote for the Re-election of Directors. Please vote.

Description:

- (I) The fourth Board of Directors and Supervisors of the company will serve until June 15, 2020, and the company is extending its executive duties until the general meeting of shareholders on June 30, 2020. The newly elected fifth Board of Directors will serve a three-year term, commencing from June 30, 2020 to June 29, 2023.
- (II) The current Directors and Supervisors will resign immediately after the new directors are elected and assume office. After the election, three Independent Directors will form the Audit Committee and replace the role of Supervisors in accordance with relevant laws and regulations. The Supervisors of the company will be abolished at the same time as the establishment of the Audit Committee of the company.
- (III) Ten Directors (including three Independent Directors) shall be elected this time, and the election will be conducted in accordance with candidate nomination system and procedures.
- (IV) Mr. Lin Yu-Siang, the candidate of independent director, has served as the Company's independent director for three consecutive terms and the Company has benefited greatly because of his professional legal ability, familiarity with relevant laws and regulations, and expertise in corporate governance. Therefore he has continued to be nominated as the candidate of independent director of the Company in this round of election.
- (V) Mr. Liu Kong-Hsin, the candidate of Independent director, has served as the Company's independent director for three consecutive terms and the Company has benefited greatly because of his abundant experience in business administration and familiarity with relevant laws and regulations. Therefore he has continued to be nominated as the candidate of independent director of the Company in this round of election.
- (VI) For a list of nominated candidates for Directors (independent Directors included), please refer to #page 96-97#.

Result of Election:

## **Chapter 7. Other Items**

Proposal 1 (Proposed by the Board of Directors)

Motion: To approve the Removal of Non-Competition Obligations for new Directors. Please openly discuss the vote and decide.

Description:

- (I) In order to meet the actual operating needs, the company's fifth natural person Directors, juristic-person Directors and their representatives may engage in acts that fall within the company's business scope for themselves or others, and are not subject to Article 209 of the Taiwan Company Act.
- (II) In accordance with the law, the company proposed in regular shareholders' meeting to remove the Non-Competition Obligation for new Directors.

Resolution:

**Chapter 8. Questions and Motions**  
**Chapter 9. Meeting Adjourned**

## Chapter 10. Attachments

### Attachment 1

## Keysheen (Cayman) Holdings Co., Limited The 2019 Business Report

### I. The 2019 business report

#### (I) The result of 2019 business report:

In thousands of NTD, except (deficits) earnings per share

Item	FOR THE YEAR ENDED DECEMBER 31, 2019		FOR THE YEAR ENDED DECEMBER 31, 2018		Amount Increase (decrease)	% Increase (decrease)
	Amount	%	Amount	%		
Operating income (Note 1)	4,637,001	100.00%	6,152,017	100.00%	(1,515,016)	(24.63%)
Gross profit	1,039,509	22.42%	1,249,528	20.31%	(210,019)	(16.81%)
net operating profit	62,529	1.35%	134,699	2.19%	(72,170)	(53.58%)
Non-operating income and expenses (Note 2)	47,815	1.03%	(60,806)	(0.99%)	108,621	178.64%
Earnings before income tax (Note 3)	110,344	2.38%	73,893	1.20%	36,451	49.33%
Total comprehensive earnings (deficits) for the year (Note 3)	48,368	1.04%	(50,317)	(0.82%)	98,685	196.13%
Earnings(loss) per share	0.46	-	(0.48)	-	0.94	195.83%

Note 1. The decrease in operating income was mainly caused by the escalating trade war between the U.S. and China, which leads to less ordered quantities from the customers in 2019 compared to 2018.

Note 2. The main reason for the increase in non-operating income and expenses in 2019 was the significant fluctuation of exchange rate of RMB against the US dollar in 2019 which brought forex profit.

Note 3. The main reason for the increase in net profit before tax and annual net profit for the year was the significant fluctuation exchange rate of RMB against the US dollar fluctuated greatly in 2019 which brought forex profit.

#### (II) Budget execution status: Not applicable.

#### (III) Financial results and profitability analysis:

Unit: %; NTD

Item		Ratio
Return on assets		1.20
Return on equity		1.22
percentage over the issued capital	Operating profit	5.99
	net income (loss) before tax	10.58
Profit margin		1.04
Earnings Per Share		0.46

(IV) Research and development status:

1. The Company's research and development expenses invested in 2019 are NT\$78,244,000, accounting for approximately 1.69% of the net revenue; the amount of investment decreased compared with the previous year.
2. Product development  
In addition to continuing the development of the general product line, the company has strengthened the research and development of new product lines, such as: high-end furniture series and urban series products. Besides, the company has continued to invest in the development of rattan outdoor furniture products and plastic rattan materials, and expects to have customized service and market segmentation through a diverse range of products.
3. Business development  
Continue providing more efficient logistics systems and after-sales services, and strengthen our supply chain partnership cooperation model and management.
4. Development of Shanghai factory  
Utilizing the most appropriate production scale and stable supply chain resources, the Company has committed to the development and application of various materials, including composites, and in-depth study of refined and modular processing technology to continuously enhance the company's product cost competitive advantage, comfortability, and value.
5. Development of Vietnam factory  
The construction of the integrated production plant has been completed in 2018, and has begun production of high-end customized rattan products and steel pipe outdoor furniture.

II. 2020 business policy and development strategy, important production, and marketing policies, and impacts of the overall business environment, external competitive environment, and regulatory environment

(I) Business policy and development strategy

Shanghai factory

1. We will continue to deepen the outdoor leisure furniture products and actively develop the leisure and living related products. In the future, we may expand the company's operations through strategic alliances.
2. Will be committed to the development of potential customers, which will increase the added value of the product by improving the quality and diversification of product design.
3. Strengthen the joint development and cooperation plan with customers and design products that fit the needs of consumers. In addition, it will enhance the overseas logistics operation process, which will make the product shipments timely and make the after-sales service mechanism more perfect.
4. Facing external uncertainties, for example the U.S.-China trade war, the Shanghai factory will adopt a more conservative strategy and not aiming for revenue growth, and select suitable products to ensure profitability of the factory.
5. Actively develop green environmentally-friendly raw materials and optimize the process. In addition, to comply with the local government's environmental protection policies, the company adheres to the core objectives of long-term operation of the

company in terms of energy conservation, carbon reduction and pollution reduction.

#### Vietnam factory

1. The integrated production plant for the rattan product line has been completed and put into production, and will gradually realize the company's plan to penetrate the high-end rattan outdoor furniture market. In the future, through the expansion of new product lines, it will bring more diversified product choices for customers.
2. Establish a smart factory management system to achieve customized mass production conditions through full process bar code management and production history scheduling.
3. Gradually establish and operate a complete upstream and downstream supply chain, in addition to making production costs more competitive, making future capacity planning more flexible and responsive.
4. Fully consider the equipment capacity utilization rate and worker efficiency elevation, so we can significantly increase the factory utilization rate and production efficiency to meet the growing demands of our customers.

#### (II) The important production and marketing policies

1. Promote balanced production throughout the year, streamline the use of workers' efforts, and strive to optimize the production process. With an automated and labor-saving production model, manpower and production costs can be more effectively controlled.
2. Strengthen the on-the-job training for employees, and pay attention to the training of multi-capacity expertise to improve production efficiency, and cooperate with production line automation to improve equipment utilization rate.
3. Give full play to the specialties and strengths of the two factories, continue to deepen the development of various product lines with appropriate division, and enhance the penetration and market share of the company's products with more diversified design, and then provide high added value service to our customers.
4. Follow the trend of global e-commerce, the company will cooperate with customers' operating model to increase the proportion of e-commerce sales, in order to increase the scale of operations.

#### (III) Impact on the overall business environment, external competitive environment, and regulatory environment

1. Looking back on the international economic environment last year, the geopolitical risk has risen, the world is shadowed by the U.S.-China trade war, and the sluggish performance of emerging markets has led to a weakening of global economic growth momentum, weak economic performance, manufacturing investment tends to be conservative, and overall business environment is not ideal. Meanwhile, raw material prices generally dropped, and the RMB exchange rate remained stable, which also improved the company's profit performance over the same period.

Looking ahead to the coming year, although the turmoil of US-China trade is showing signs of easing, the geopolitical risks have not been reduced, and the global economy has been greatly affected by the new COVID-19 epidemic. Therefore, all research institutions have expected the global economy to tank in 2020 and also brings further risks to emerging markets. At present, it is estimated that the North American market is still more stable than other regions, but the consumption power may be weakened.

Due to North America is the company's major market, we are holding a conservative view toward the overall business development over the next year.

2. We will face challenges from competitors with diversified products and customized high-end products. At the same time, we will maximize the overall corporate resources by leveraging the industry supply chain strategic alliance. This will help to strengthen the company's irreplaceable supply role and stabilize the competitiveness of the industry.
3. In response to rapid changes in the production environment, such as labor and environmental protection, the Company must develop efficient and stable business models and consider that new product lines should be produced in a more suitable and competitive production environment. After accelerating the factory expansion in expanding in Vietnam for the past two years, we are gradually moving into full production and expecting that the new capacity will expand the company's operation scale and drive its revenue growth.

The company has accumulated rich industry experience for decades and established a complete production system. The innovative design and independent development of materials and stable cooperation with customers are the strong business foundations of the company. Under the impact of U.S-China trade war and rising production cost, the company is facing severe challenges, and we will use our operational advantages and core capabilities to tackle the competition and challenges. After our Vietnam plant officially begin production, the management team will do its best to lead the company in overcoming the growing environmental challenges and achieve good results.

Chairman: LIU CHUNG-HSIN      Manager: LIU I-HSIAO      Chief Accountant: YI YING-JIAO



## The Supervisors' Audit Review Report

The Board of Directors shall submit the company 2019 business report, consolidated financial statements, and proposal for distribution of earnings, etc. The Company's 2019 Financial Statements were audited with audit report by independent auditors, Lu I-Chen and Lin Yi-Hui, of Deloitte & Touche. The aforementioned Business Reports and Financial Statements were reviewed by the Supervisors with no comment. According to Article 219 of the Company Act, we hereby submit this report. For your honor's approval.

Regards,

Keysheen (Cayman) Holdings Co., Limited  
2020 Annual General Shareholders' Meeting

Supervisor: Lai Wu-Lang

Supervisor: Hu Jing-Ming

Supervisor: Chen I-Tai

March 31, 2020

## Independent Auditors' Report

The Board of Directors and Shareholders Keysheen (Cayman) Holdings Co., Limited:

### Opinions

We have audited the accompanying consolidated financial statements of Keysheen (Cayman) Holdings Co., Limited and its subsidiaries (collectively referred to as the Group), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by the Securities Issuers, and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinions

In 2019, we conducted audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Jin-Guan-Zheng-Shen-Zi No. 1090360805 as of February 25, 2020 issued by the Financial Supervisory Commission of the Republic of China and auditing standards generally accepted in the Republic of China. In 2018, we conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Keysheen Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31,

2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2019 are stated as follows:

Authenticity of revenue generated by some major customers

Keysheen Group's main source of revenue is sales of outdoor furniture and rattan table and chair products, and its main customers are relatively concentrated. Therefore, the authenticity of revenue generated by main customers whose sales amount changes meet specific conditions is listed as a key audit item.

Corresponding audit procedures

Our key audit procedures performed with respect to the above area include the following:

1. Understand the revenue recognition internal control procedures and test whether or not their internal controls are effective.
2. Carry out a spot check on sales revenue generated by some major customers.

**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, the guidelines issued by the competent authority, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 the Supervisor, are responsible for overseeing the Group's financial reporting process.

**Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to

issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated

financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte and Touche Taipei, Taiwan

Auditor LU I-CHEN

Auditor LIN YI-HUI

Approved document number by the  
Financial Supervisory Commission of the  
Republic of China  
Jin-Guan-Zheng-Shen-Zi No. 1080321204

Approved document number by the  
Financial Supervisory Commission of the  
Republic of China  
Jin-Guan-Zheng-Liu-Zi No. 0940161384

The English version of the consolidated financial statements is translated from the Chinese version and is not audited by Deloitte & Touche.

March 24, 2020

Keysheen (Cayman) Holdings Co., Limited and subsidiaries

Consolidated Balance Sheets

December 31, 2019 & 2018

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2019		December 31, 2018	
		Amount	%	Amount	%
	<b>Current assets</b>				
1100	Cash and cash equivalents (Note 6)	\$ 1,594,143	27	\$ 1,565,555	20
1170	Account receivables (Notes 8 and 21)	1,014,008	17	2,125,863	27
1200	other receivables (Note 8)	1,546	-	10,622	-
1220	Current tax assets (Note 23)	14,857	-	-	-
130X	Inventories (Note 9)	1,216,452	20	1,614,708	21
1410	Prepayments (Notes 14 and 15)	176,954	3	335,269	4
1470	Other current assets	251	-	48	-
11XX	Total current assets	<u>4,018,211</u>	<u>67</u>	<u>5,652,065</u>	<u>72</u>
	<b>Noncurrent assets</b>				
1600	Property, plants, and equipment (Note 11)	1,589,126	27	1,833,550	24
1755	Right-of-use assets (Note 12)	339,941	6	-	-
1780	Other intangible assets (Note 13)	22,420	-	21,588	-
1840	Deferred tax assets (Note 23)	7,609	-	8,135	-
1985	Prepaid lease – non-current (Note 14)	-	-	306,442	4
1990	Other non-current assets (Note 15)	3,880	-	5,424	-
15XX	Total non-current assets	<u>1,962,976</u>	<u>33</u>	<u>2,175,139</u>	<u>28</u>
1XXX	Total assets	<u>\$ 5,981,187</u>	<u>100</u>	<u>\$ 7,827,204</u>	<u>100</u>
	<b>LIABILITIES AND EQUITY</b>				
	<b>Current Liabilities</b>				
2100	Short-Term Borrowings (Note 16)	\$ 861,026	15	\$ 1,935,392	25
2120	Financial liabilities at fair value through profit or loss—current (Notes 7 and 28)	3,712	-	25,315	-
2130	Contract liabilities – current (Note 21)	7,526	-	6,335	-
2170	Accounts payable (Note 17)	559,239	9	843,979	11
2200	Other payables (Note 18)	247,515	4	379,627	5
2230	Current tax liabilities (Note 23)	9,710	-	40,965	-
2280	Lease liabilities – current (Note 12)	9,712	-	-	-
2320	Long-term liabilities due in one year or one business cycle (Note 16)	210,228	4	138,115	2
2399	Other current liabilities (Note 18)	4,036	-	6,016	-
21XX	Total current liabilities	<u>1,912,704</u>	<u>32</u>	<u>3,375,744</u>	<u>43</u>
	<b>Non-current liabilities</b>				
2540	Long-term borrowings (Note 16)	-	-	322,268	4
2570	Deferred tax liabilities (Note 23)	128,188	2	133,342	2
2580	Lease liabilities – noncurrent (Note 12)	33,937	1	-	-
2670	Other noncurrent liabilities	323	-	335	-
25XX	Total noncurrent liabilities	<u>162,448</u>	<u>3</u>	<u>455,945</u>	<u>6</u>
2XXX	total liabilities	<u>2,075,152</u>	<u>35</u>	<u>3,831,689</u>	<u>49</u>
	<b>Equity attributable to owners of the company (Note 20)</b>				
	<b>Share capital</b>				
3110	Common shares	1,042,610	18	1,042,610	13
3200	Capital surplus	2,113,900	35	2,113,900	27
	<b>Retained earnings</b>				
3310	Legal reserve	138,209	2	138,209	2
3320	Special capital reserve	32,457	1	-	-
3350	Unappropriated earnings	749,164	12	733,253	9
3300	Total retained earnings	<u>919,830</u>	<u>15</u>	<u>871,462</u>	<u>11</u>
3400	Other equity	( 170,305 )	( 3 )	( 32,457 )	-
31XX	Total equity attributable to owners of the company	<u>3,906,035</u>	<u>65</u>	<u>3,995,515</u>	<u>51</u>
3XXX	Total equity	<u>3,906,035</u>	<u>65</u>	<u>3,995,515</u>	<u>51</u>
	Total liabilities and equity	<u>\$ 5,981,187</u>	<u>100</u>	<u>\$ 7,827,204</u>	<u>100</u>

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

Chairman: LIU CHUNG-HSIN

Manager: LIU I-HSIAO

Chief Accountant: YI YING-JIAO

Keysheen (Cayman) Holdings Co., Limited and subsidiaries  
Consolidated Statements of Comprehensive Income  
FOR THE YEAR ENDED DECEMBER 31, 2019 and 2018

Unit: In Thousands of New Taiwan Dollars,  
Except Earnings (Deficit) Per Share

Code		2019		2018	
		Amount	%	Amount	%
	Operating income				
4100	Sales revenue (Note 21)	\$ 4,637,001	100	\$ 6,152,017	100
	Operating costs				
5110	Cost of goods sold (Notes 9 and 22)	( 3,597,492)	( 78)	( 4,902,489)	( 80)
5900	Gross profit	<u>1,039,509</u>	<u>22</u>	<u>1,249,528</u>	<u>20</u>
	Operating expenses (Notes 22 and 29)				
6100	Selling expenses	( 527,187)	( 11)	( 594,863)	( 10)
6200	Management expenses	( 371,549)	( 8)	( 418,977)	( 7)
6300	Research and development expenses	( 78,244)	( 2)	( 100,989)	( 1)
6000	Total operating expenses	( <u>976,980</u> )	( <u>21</u> )	( <u>1,114,829</u> )	( <u>18</u> )
6900	Net operating profit	<u>62,529</u>	<u>1</u>	<u>134,699</u>	<u>2</u>
	Non-operating income and expenditure (Note 22)				
7010	Other income	42,258	1	75,619	1
7020	Other gains and losses	40,093	1	( 94,605)	( 1)
7050	Financing costs	( 34,536)	( 1)	( 41,820)	( 1)
7000	Total non-operating income and expenditure	<u>47,815</u>	<u>1</u>	( <u>60,806</u> )	( <u>1</u> )
7900	Profit before tax	110,344	2	73,893	1
7950	Income tax expenses (Note 23)	( 61,976)	( 1)	( 124,210)	( 2)
8200	Net profit (loss)	<u>48,368</u>	<u>1</u>	( <u>50,317</u> )	( <u>1</u> )

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Code		2019		2018	
		Amount	%	Amount	%
	other comprehensive income and expenses				
8310	Items that will not be reclassified subsequently to profit or loss:				
8341	Exchange difference of translation to presentation currency	(\$ 151,769)	( 3)	(\$ 81,794)	( 1)
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	<u>13,921</u>	<u>-</u>	<u>28,758</u>	<u>-</u>
8300	current other comprehensive income and expenses (net amount after tax)	( <u>137,848</u> )	( <u>3</u> )	( <u>53,036</u> )	( <u>1</u> )
8500	Total comprehensive income for the year	( <u>\$ 89,480</u> )	( <u>2</u> )	( <u>\$ 103,353</u> )	( <u>2</u> )
8600	Net income (loss) attributed to				
8610	Stockholders of the Company	<u>\$ 48,368</u>	<u>1</u>	( <u>\$ 50,317</u> )	( <u>1</u> )
8700	Total comprehensive income attributed to				
8710	Stockholders of the Company	( <u>\$ 89,480</u> )	( <u>2</u> )	( <u>\$ 103,353</u> )	( <u>2</u> )
	Earnings per share (deficit) (Note 25)				
9710	Basic	<u>\$ 0.46</u>		( <u>\$ 0.48</u> )	
9810	Dilution	<u>\$ 0.46</u>		( <u>\$ 0.48</u> )	

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

Chairman: LIU CHUNG-HSIN    Manager: LIU I-HSIAO    Chief Accountant: YI YING-JIAO



Keysheen (Cayman) Holdings Co., Limited and subsidiaries  
Consolidated Statements of Changes In Equity  
FOR THE YEAR ENDED DECEMBER 31, 2019 and 2018

Unit: In Thousands of New Taiwan Dollars

		attributable to Equity for owners of the company						Other equity items	
		Share capital		Retained earnings			Foreign operations translation of financial statements		
Code		Shares (thousand shares)	Amount	Capital surplus	Legal reserve	Special surplus reserve	Unappropriated earnings	Exchange difference of	Total Equity
A1	BALANCE at JANUARY 1, 2018	104,261	\$ 1,042,610	\$ 2,113,900	\$ 138,209	\$ -	\$ 820,061	\$ 20,579	\$4,135,359
B5	Appropriation and distribution of retained earnings generated in 2017 the shareholder cash dividends	-	-	-	-	-	( 36,491)	-	( 36,491)
D1	Net loss for the year 2018	-	-	-	-	-	( 50,317)	-	( 50,317)
D3	Other comprehensive income for the year 2018	-	-	-	-	-	-	( 53,036)	( 53,036)
D5	Total comprehensive income for the year 2018	-	-	-	-	-	( 50,317)	( 53,036)	( 103,353)
Z1	BALANCE at December 31, 2018	104,261	1,042,610	2,113,900	138,209	-	733,253	( 32,457)	3,995,515
B3	Appropriation and distribution of retained earnings set aside as special surplus reserve in 2018	-	-	-	-	32,457	( 32,457)	-	-
D1	Net income for the year 2019	-	-	-	-	-	48,368	-	48,368
D3	Other comprehensive income for the year 2019	-	-	-	-	-	-	( 137,848)	( 137,848)
D5	Total comprehensive income for the year 2019	-	-	-	-	-	48,368	( 137,848)	( 89,480)
Z1	BALANCE at December 31, 2019	<u>104,261</u>	<u>\$ 1,042,610</u>	<u>\$ 2,113,900</u>	<u>\$ 138,209</u>	<u>\$ 32,457</u>	<u>\$ 749,164</u>	<u>(\$ 170,305)</u>	<u>\$3,906,035</u>

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

Chairman: LIU CHUNG-HSIN

Manager: LIU I-HSIAO

Chief Accountant: YI YING-JIAO

Keysheen (Cayman) Holdings Co., Limited and subsidiaries  
Consolidated Statements of Cash Flows  
FOR THE YEAR ENDED DECEMBER 31, 2019 and 2018

Unit: In Thousands of New Taiwan Dollars

Code		2019	2018
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
A10000	Net profit before tax for the year	\$ 110,344	\$ 73,893
A20010	Adjustments for:		
A20100	Depreciation expenses	238,380	204,637
A20200	Amortization expenses	4,616	4,287
A20300	Expected credit impairment losses	1,616	76
A20400	Net loss on financial liabilities at fair value through profit or loss	3,788	24,734
A20900	Financing costs	34,536	41,820
A21200	Interest revenue	( 18,518 )	( 19,528 )
A22500	Loss on disposal of real estate, plants and equipment	71	565
A23700	Reduction of inventory to market and obsolescence loss	-	8,149
A29900	Amortization of pre-paid leases	-	9,500
A30000	Net change in operating assets and liabilities		
A31130	Notes receivable	-	2
A31150	Accounts receivable	1,110,241	( 798,296 )
A31180	Other receivables	8,745	64,961
A31200	Inventory	399,465	227,127
A31230	Prepayments	148,885	44,763
A31240	Other current assets	( 203 )	21,838
A32125	Contract liability	1,191	-
A32150	Accounts payable	( 284,740 )	9,966
A32180	Other payables	( 86,375 )	13,028
A32230	Other current liabilities	( 1,980 )	( 8,395 )
A33000	Cash generated from operations	1,670,062	( 76,873 )
A33100	Interest received	18,857	19,301
A33300	Interest paid	( 34,007 )	( 40,415 )
A33500	Income tax paid	( 85,276 )	( 237,919 )
AAAA	Net cash provided by (used in) operating activities	<u>1,569,636</u>	<u>( 335,906 )</u>
	<b>Cash flows from investing activities</b>		
B02700	Acquisition of real estates, plants, and equipment	( 63,611 )	( 214,982 )
B02800	Proceeds from disposal of real estate, plants and equipment	-	15,980
B03700	Guarantee deposits increased	( 743 )	( 1 )

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Code		2019	2018
B04500	Acquisition of intangible assets	(\$ 3,086)	(\$ 669)
B07100	Pre-payments for equipment increased	( 5,158)	( 19,571)
BBBB	Net cash flows from investing activities	<u>( 72,598)</u>	<u>( 219,243)</u>
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	-	511,580
C00200	Decrease in short-term borrowings	( 1,074,366)	-
C01600	Increase in long-term borrowings	-	311,240
C01700	Repayment of long-term loan	( 250,155)	-
C03100	Returning of guarantee deposits received	-	( 7)
C04020	Payments of lease liabilities	( 10,531)	-
C04400	Decrease in other non-current liabilities	( 12)	-
C04500	Pay dividends to Stockholders of the Company	<u>-</u>	<u>( 36,491)</u>
CCCC	Net cash provided by (used in) financing activities	<u>( 1,335,064)</u>	<u>786,322</u>
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>( 133,386)</u>	<u>( 32,342)</u>
EEEE	Net increase in cash and cash equivalents	28,588	198,831
E00100	Beginning balance of cash and cash equivalents	<u>1,565,555</u>	<u>1,366,724</u>
E00200	Ending balance of cash and cash equivalents	<u>\$ 1,594,143</u>	<u>\$ 1,565,555</u>

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

Chairman: LIU CHUNG-HSIN    Manager: LIU I-HSIAO    Chief Accountant: YI YING-JIAO

## Keysheen (Cayman) Holdings Co., Limited

### Comparison table for the amendments of The Ethical Corporate Management Best Practice Principles

Article	After revision	Before revision	Reason
3.	<p>Prohibition of unethical conducts</p> <p>When engaging in commercial activities, the Company's directors, managers, employees, and mandataries or persons having substantial control over such companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.</p> <p>Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or staff members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.</p>	<p>Prohibition of unethical conducts</p> <p>When engaging in commercial activities, the Company's directors, <del>supervisors</del>, managers, employees, and mandataries or persons having substantial control over such companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.</p> <p>Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>
6.	<p>Policies</p> <p>TWSE/GTSM listed companies shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and approved by the Board of Directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p>	<p>Policies</p> <p>TWSE/GTSM listed companies shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p>	<p>In accordance with the Taiwan Stock Exchange Corporation TaiChengZhiLi No. 10800083781 on May 23rd, 2019.</p>
8.	<p>Scope of precautionary scheme</p> <p>The Company shall <u>establish a risk assessment mechanism</u> against unethical conduct, analyze and <u>assess on a regular basis</u> business activities within their business scope which are at a higher risk of being involved in unethical conduct, <u>and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.</u></p> <p>It is advisable for the Company to <u>refer to prevailing domestic and foreign standards or</u></p>	<p>Scope of precautionary scheme</p> <p><del>When establishing the Precautionary Scheme,</del> the Company shall analyze which business activities within its business scope that may be at a higher risk of being involved in an Unethical Conduct, <del>and strengthen the related preventive measures.</del></p> <p>The Precautionary Scheme established by the company shall</p>	<p>In accordance with the Taiwan Stock Exchange Corporation TaiChengZhiLi No. 10800083781 on May 23rd, 2019.</p>

Article	After revision	Before revision	Reason
	<p><u>guidelines</u> in establishing the prevention programs, which shall at least include preventive measures against the following:</p> <ol style="list-style-type: none"> <li>1. Offering and acceptance of bribes.</li> <li>2. Illegal political donations.</li> <li>3. Improper charitable donations or sponsorship.</li> <li>4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.</li> <li>5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.</li> <li>6. Engaging in unfair competitive practices.</li> <li>7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.</li> </ol>	<p>at least include precautionary measures against the following:</p> <ol style="list-style-type: none"> <li>1. Offering and acceptance of bribes.</li> <li>2. Illegal political donations.</li> <li>3. Improper charitable donations or sponsorship.</li> <li>4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.</li> <li>5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.</li> <li>6. Engaging in unfair competitive practices.</li> <li>7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.</li> </ol>	
9.	<p><u>Commitments and Implementation</u>  <u>The Company shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</u>  The Company and its subsidiaries shall clearly specify in their rules and external documents and <u>on the company website</u> the ethical corporate management policies and the commitment by the Board of Directors and <u>senior</u> management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.  <u>The company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.</u></p>	<p><u>Commitments and Implementation</u>  The Company and its subsidiaries shall clearly specify ethical corporate management policies in their internal regulations and external documents. The Board and the management level shall undertake to rigorously and thoroughly enforce such policies for internal management and external commercial activities.</p>	<p>In accordance with the Taiwan Stock Exchange Corporation TaiChengZhiLi No. 10800083781 on May 23rd, 2019.</p>
11.	<p>Prohibition of offering and receiving bribes  When conducting business, the Company and its directors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients,</p>	<p>Prohibition of offering and receiving bribes  When conducting business, the Company and its directors, <u>supervisors</u>, managers, employees, mandataries, and substantial controllers, may not directly or</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa</p>

Article	After revision	Before revision	Reason
	agents, contractors, suppliers, public servants, or other stakeholders.	indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.	No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.
12.	Prohibition of illegal political donations When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.	Prohibition of illegal political donations When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, <del>supervisors</del> , managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.	In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.
13.	Prohibition of inappropriate charity donations or sponsorships When making or offering donations and sponsorship, the Company and its directors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.	Prohibition of inappropriate charity donations or sponsorships When making or offering donations and sponsorship, the Company and its directors, <del>supervisors</del> , managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.	In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.
14.	Prohibition of unreasonable presents, hospitality or other improper benefits The company and its directors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.	Prohibition of unreasonable presents, hospitality or other improper benefits The company and its directors, <del>supervisors</del> , managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.	In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.
15.	Prohibition of infringement of intellectual property rights The company and its directors, managers, employees, mandataries, and substantial	Prohibition of infringement of intellectual property rights The company and its directors, <del>supervisors</del> , managers, employees,	In accordance with the Financial Supervisory

Article	After revision	Before revision	Reason
	controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.	mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.	Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.
17.	Prevention of damage to stakeholder by products and services In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and its directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company shall, in principle, recall those products or suspend the services immediately.	Prevention of damage to stakeholder by products and services In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company shall, in principle, recall those products or suspend the services immediately.	In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.
18.	Organization and responsibilities The directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.	Organization and responsibilities The directors, <del>supervisors</del> , supervisors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and	In accordance with the Taiwan Stock Exchange Corporation TaiChengZhiLi No. 10800083781 on May 23rd, 2019.

Article	After revision	Before revision	Reason
	<p>To achieve sound ethical corporate management, the Company establish an audit unit, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the Board of Directors on a regular basis <u>(at least once a year)</u>:</p> <ol style="list-style-type: none"> <li>1. Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</li> <li>2. <u>Analysing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs</u> to prevent unethical conduct, and setting out in each program the standard operating procedures <u>and</u> conduct guidelines with respect to the company's operations and business.</li> <li>3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</li> <li>4. Promoting and coordinating awareness and educational activities with respect to ethics policy.</li> <li>5. Developing a whistle-blowing system and ensuring its operating effectiveness.</li> <li>6. Assisting the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</li> </ol>	<p>continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To achieve sound ethical corporate management, the Company establish an audit unit, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the Board of Directors on a regular basis:</p> <ol style="list-style-type: none"> <li>1. Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</li> <li>2. Establish procedures to prevent unethical conduct, set out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.</li> <li>3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</li> <li>4. Promoting and coordinating awareness and educational activities with respect to ethics policy.</li> <li>5. Developing a whistle-blowing system and ensuring its operating effectiveness.</li> <li>6. Assisting the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular</li> </ol>	



Article	After revision	Before revision	Reason
		assessment of compliance with ethical management in operating procedures.	
19.	<p>Compliance</p> <p>The Company and its directors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.</p>	<p>Compliance</p> <p>The Company and its directors, <del>supervisors</del>, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>
20.	<p>Avoidance of conflicts of interest</p> <p>The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company.</p> <p>When a proposal at a given Board of Directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings. The company's directors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.</p>	<p>Avoidance of conflicts of interest</p> <p>The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, <del>supervisors</del>, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company.</p> <p>When a proposal at a given Board of Directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, <del>supervisors</del>, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.</p> <p>The company's directors, <del>supervisors</del>, managers, employees,</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>

Article	After revision	Before revision	Reason
		mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.	
21.	<p>Accounting and internal control</p> <p>The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.</p> <p>The internal audit unit of the company shall, <u>based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs.</u> The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary. <u>The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the Board of Directors.</u></p>	<p>Accounting and internal control</p> <p>The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.</p> <p>The Company's internal audit unit shall <del>regularly</del> check on the compliance of systems in the <del>previous paragraph and put down in writing in the form of an audit report to be submitted to the Board of Directors.</del> The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</p>	<p>In accordance with the Taiwan Stock Exchange Corporation TaiChengZhiLi No. 10800083781 on May 23rd, 2019.</p>
22.	<p>Operational procedures and guidelines</p> <p>The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:</p> <ol style="list-style-type: none"> <li>1. Standards for determining whether improper benefits have been offered or accepted.</li> <li>2. Procedures for offering legitimate political donations.</li> <li>3. Procedures and the standard rates for offering charitable donations or sponsorship.</li> <li>4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.</li> <li>5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.</li> </ol>	<p>Operational procedures and guidelines</p> <p>The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, <del>supervisors</del>, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:</p> <ol style="list-style-type: none"> <li>1. Standards for determining whether improper benefits have been offered or accepted.</li> <li>2. Procedures for offering legitimate political donations.</li> <li>3. Procedures and the standard rates for offering charitable donations or sponsorship.</li> <li>4. Rules for avoiding work-related conflicts of interests and how</li> </ol>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>

Article	After revision	Before revision	Reason
	<p>6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.</p> <p>7. Handling procedures for violations of these Principles.</p> <p>8. Disciplinary measures on offenders.</p>	<p>they should be reported and handled.</p> <p>5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.</p> <p>6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.</p> <p>7. Handling procedures for violations of these Principles.</p> <p>8. Disciplinary measures on offenders.</p>	
23.	<p>Educational training and appraisals</p> <p>The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.</p> <p>The Company shall periodically organize training and awareness programs for directors, managers, employees, mandataries, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.</p> <p>The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.</p>	<p>Educational training and appraisals</p> <p>The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.</p> <p>The Company shall periodically organize training and awareness programs for directors, <del>supervisors</del>, managers, employees, mandataries, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.</p> <p>The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>
24.	<p>Whistle-blowing system</p> <p>The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:</p> <p>1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel</p>	<p>Whistle-blowing system</p> <p>The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:</p> <p>1. An independent mailbox or hotline, either internally established and publicly announced or provided by an</p>	<p>In accordance with the Taiwan Stock Exchange Corporation TaiChengZhiLi No. 10800083781 on May 23rd, 2019.</p>

Article	After revision	Before revision	Reason
	<p>of the company to submit reports.</p> <p>2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior <u>management</u> shall be reported to the independent directors or supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.</p> <p>3. <u>Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.</u></p> <p>4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</p> <p>5. Confidentiality of the identity of whistle-blowers and the content of reported cases, <u>and an undertaking regarding anonymous reporting.</u></p> <p>6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</p> <p>7. Whistle-blowing incentive measures. When material misconduct or likelihood of material impairment to the Company comes to its awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or supervisors in written form.</p>	<p>independent external institution, to allow internal and external personnel of the company to submit reports.</p> <p>2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior <del>managers</del> shall be reported to the independent directors <del>or supervisors</del>. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.</p> <p>3. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</p> <p>4. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.</p> <p>5. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</p> <p>6. Whistle-blowing incentive measures. When material misconduct or likelihood of material impairment to the Company comes to its awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or <del>supervisors</del> in written form.</p>	
27.	<p>Review and amendment of ethical corporate management policies and measures The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their</p>	<p>Review and amendment of ethical corporate management policies and measures The Company shall at all times monitor the development of relevant local and international</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan</p>

Article	After revision	Before revision	Reason
	directors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.	regulations concerning ethical corporate management and encourage their directors, <del>supervisors</del> , managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.	JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.
28.	<p>Implementation</p> <p>The ethical corporate management best practice principles of the Company shall be implemented after the Board of Directors grants the approval, and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.</p> <p>When the company submits its ethical corporate management best practice principles to the Board of Directors for discussion pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the Board of Directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the Board of Directors meeting.</p>	<p>Implementation</p> <p>The ethical corporate management best practice principles of the Company shall be implemented after the Board of Directors grants the approval, and shall be sent to the <del>supervisors</del> and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.</p> <p><del>With the Independent Directors,</del> the Company should submit its ethical corporate management best practice principles to the Board of Directors for discussion pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the Board of Directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the Board of Directors meeting.</p>	In accordance with the Taiwan Stock Exchange Corporation TaiChengZhiLi No. 10800083781 on May 23rd, 2019.

## Keysheen (Cayman) Holdings Co., Limited

### Comparison table for the amendments of The Code of Ethical Conduct

Article	After revision	Before revision	Reason
1.	<p>Objective and mandate</p> <p>In recognition of the necessity to assist the Company in its establishment of codes of ethical conduct, these Guidelines are adopted for the purpose of encouraging directors, and managerial officers of the Company to act in line with ethical standards, and to help interested parties better understand the ethical standards of such companies.</p>	<p>Objective and mandate</p> <p>In recognition of the necessity to assist the Company in its establishment of codes of ethical conduct, these Guidelines are adopted for the purpose of encouraging directors, <del>supervisors,</del> and managerial officers of the Company <del>and its subsidiaries</del> to act in line with ethical standards, and to help interested parties better understand the ethical standards of such companies.</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>
2.	<p>Scope</p> <p>The Code of Ethical Conducts is applied to the Company’s Directors, managers, and other employees, hereinafter referred to as “the Company personnel”.</p>	<p>Scope</p> <p>The Code of Ethical Conducts is applied to the Company <del>and its subsidiaries</del>’ Directors, <del>supervisors,</del> managers, and other employees, hereinafter referred to as “the Company personnel”.</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>
4.	<p>Prevention of conflicts of mandate</p> <p>The company personnel should perform their duties in an objective and efficient manner, avoid takes advantage of their position in the company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the second degree of kinship. The company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, supervisor, or managerial officer works. The company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for directors, and managerial officers to voluntarily explain whether there is any potential conflict between them and the company.</p>	<p>Prevention of conflicts of mandate</p> <p>The company personnel should perform their duties in an objective and efficient manner, avoid takes advantage of their position in the company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the second degree of kinship. The company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, supervisor, or managerial officer works. The company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for directors, <del>supervisors,</del> and managerial officers to voluntarily explain whether there</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>

Article	After revision	Before revision	Reason
		is any potential conflict between them and the company.	
9.	<p>Compliance</p> <p>The company's personnel should abide by all internal and external laws and regulations that regulate the company's activities, comply with the Securities and Exchange Act <u>and other applicable laws, regulations, and bylaws</u>, and when withholding undisclosed information of the Company is not allowed to engage in relevant securities transaction.</p>	<p>Compliance</p> <p>The company's personnel should abide by all internal and external laws and regulations that regulate the company's activities, comply with the Securities and Exchange Act <del>that prevents insider trading</del>, and when withholding undisclosed information of the Company is not allowed to engage in relevant securities transaction.</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>
10.	<p>Encouragement to reporting illegal activities or violations of this Code</p> <p>The company shall raise awareness of ethics internally and encourage employees to report <u>to the Board of Directors</u>, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of an external or internal law or regulation or the code of ethical conduct. The company should use its best efforts to ensure the safety of informants and protect them from reprisals, and properly handle the following matters.</p>	<p>Encouragement to reporting illegal activities or violations of this Code</p> <p>The company shall raise awareness of ethics internally and encourage employees to report to <del>a company supervisor</del>, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of an external or internal law or regulation or the code of ethical conduct. The company should use its best efforts to ensure the safety of informants and protect them from reprisals, and properly handle the following matters.</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>
12.	<p>Exemption procedure</p> <p>If the Company must require that any exemption for directors, or managerial officers from compliance with the code, it have to be adopted by a resolution of the Board of Directors, and that information on the date on which the Board of Directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.</p>	<p>Exemption procedure</p> <p>If the Company must require that any exemption for directors, <del>supervisors</del>, or managerial officers from compliance with the code, it have to be adopted by a resolution of the Board of Directors, and that information on the date on which the Board of Directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the company by ensuring appropriate mechanisms</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>

Article	After revision	Before revision	Reason
		for controlling any circumstance under which such an exemption occurs.	
14	<p>Implementation</p> <p>A company's code of ethical conduct, and any amendments to it, shall enter into force after it has been adopted by the Board of Directors, and submitted to a shareholders meeting.</p>	<p>Implementation</p> <p>A company's code of ethical conduct, and any amendments to it, shall enter into force after it has been adopted by the Board of Directors, <del>delivered to each supervisor,</del> and submitted to a shareholders meeting.</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>



## Keysheen (Cayman) Holdings Co., Limited

### Comparison table for the amendments of Rules and Procedures of Board of Directors meeting

Article	After revision	Before revision	Reason
3.	<p>Convening</p> <p>The Board of Directors of the company may convene board meetings within or outside the Cayman Islands when it deems fit. Any director can get a meeting of the Board of Directors at any time when requested by a director.</p> <p>The Company's Board meetings shall be convened at least once every quarter.</p> <p>The reasons for calling a Board of Directors meeting shall be notified to each director at least seven days in advance using hard copy. The calculation of the notice period shall exclude the day of the notice and the date of the meeting. The notice shall specify the meeting place, date, time and reason for convening. In emergency circumstances, however, a meeting may be called on shorter notice.</p> <p>The notice set forth in the preceding paragraph may be affected by means of electronic transmission.</p> <p>The matters described in the subparagraphs under Paragraph 1, Article 12 of these rules shall be set out in the meeting notice and may not be raised by an extraordinary motion, except in an emergency or for good reason.</p>	<p>Convening</p> <p>The Board of Directors of the company may convene board meetings within or outside the Cayman Islands when it deems fit. Any director can get a meeting of the Board of Directors at any time when requested by a director.</p> <p>The Company's Board meetings shall be convened at least once every quarter.</p> <p>The reasons for calling a Board of Directors meeting shall be notified to each director <del>and supervisor</del> at least seven days in advance using hard copy. The calculation of the notice period shall exclude the day of the notice and the date of the meeting. The notice shall specify the meeting place, date, time and reason for convening. In emergency circumstances, however, a meeting may be called on shorter notice.</p> <p>The notice set forth in the preceding paragraph may be affected by means of electronic transmission.</p> <p>The matters described in the subparagraphs under Paragraph 1, Article 12 of these rules shall be set out in the meeting notice and may not be raised by an extraordinary motion, except in an emergency or for good reason.</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan</p> <p>JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>
7.	<p>Chair and representation</p> <p>The Company's Board meetings <u>that is</u> convened by the Chairperson of the Board, <u>who will act</u> as chairperson of the meeting, provided, however, that the first Board meeting of each term after an election of Directors shall be convened by the Director who received the ballots representing the highest number of votes at a general meeting, with that Director acting as the chairperson of the meeting. In the event that there is more than one Director who has the power to convene such meeting, such Directors shall agree among themselves as to who shall act as the</p>	<p>Chair and representation</p> <p>The Company's Board meetings <del>shall be</del> convened by the Chairperson of the Board, who <del>shall</del> act as chairperson of the meeting, provided, however, that the first Board meeting of each term after an election of Directors shall be convened by the Director who received the ballots representing the highest number of votes at a general meeting, with that Director acting as the chairperson of the meeting. In the event that there is more than one Director who has the power to</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan</p> <p>JinKuanChengFa No. 1080361934 on January 15th, 2020</p>

Article	After revision	Before revision	Reason
	<p>chairperson of the meeting.  <u>In accordance with Article 203, paragraph 4, or Article 203-1, paragraph 3, when more than half of Directors convene the Board meeting on their own, such Directors shall agree among themselves as to who shall act as the chairperson of the meeting.</u>            In the event that the Chairperson of the Board is unable to exercise his or her duties during his or her absence or for cause, the Chairperson shall appoint a Director to act in his or her stead. In the absence of such appointment, the chairperson of the meeting shall be elected by the Directors from among themselves.</p>	<p>convene such meeting, such Directors shall agree among themselves as to who shall act as the chairperson of the meeting.             In the event that the Chairperson of the Board is unable to exercise his or her duties during his or her absence or for cause, the Chairperson shall appoint a Director to act in his or her stead. In the absence of such appointment, the chairperson of the meeting shall be elected by the Directors from among themselves.</p>	
8.	<p>Reference material, attendance and call to order            Upon convening the Company’s Board meeting, the secretary unit shall prepare relevant information readily available to Directors present at the meeting for reference. Upon convening a Board meeting, personnel of the relevant departments or subsidiaries may be asked to attend the meeting as guests depending on the details of the meeting agenda. If necessary, certified public accountants, lawyers or other professionals may be invited to attend the meeting as guests and to make explanatory statements. Provided, however, that they shall leave the meeting when discussion or voting takes place.            A meeting shall be called to order by the Chairperson of the Board meeting when the scheduled meeting time has arrived and the majority of the Directors are present.            If the majority of the Directors are not present at the schedule commencement time of the meeting, the chairperson of the meeting may announce the postponement of the meeting not more than twice. If a quorum has not been reached after the second postponement, the Chairperson may convene a new meeting.</p>	<p>Reference material, attendance and call to order            Upon convening the Company’s Board meeting, the secretary unit shall prepare relevant information readily available to Directors present at the meeting for reference. Upon convening a Board meeting, personnel of the relevant departments or subsidiaries may be asked to attend the meeting as guests depending on the details of the meeting agenda. If necessary, certified public accountants, lawyers or other professionals may be invited to attend the meeting as guests and to make explanatory statements. Provided, however, that they shall leave the meeting when discussion or voting takes place.  <del>Internal auditors should uphold the spirit of detachment and independence, and perform their duties in an objective and impartial position. In addition to regularly reporting audit operations to all supervisors, the audit supervisor should also attend board reports.</del>            A meeting shall be called to order by the Chairperson of the Board meeting when the scheduled meeting time has arrived and the majority of the Directors are present.            If the majority of the Directors are not present at the schedule commencement time of the meeting, the chairperson of the meeting may announce the postponement of the meeting not more than twice. If a quorum has not been reached after</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>

Article	After revision	Before revision	Reason
		the second postponement, the Chairperson may convene a new meeting.	
14.	<p>Avoidance of conflicts of interest 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.</p> <p><u>Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.</u></p> <p>The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 4 of that Act, apply to resolutions of Board of Directors meetings when a director is prohibited by the preceding <u>two</u> paragraphs from exercising voting rights.</p>	<p>Avoidance of conflicts of interest 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.</p> <p>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 director is prohibited by the preceding paragraph from exercising voting rights.</p>	In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 1080361934 on January 15th, 2020
15.	<p>Minutes and signatures Minutes shall be prepared of the discussions at the Company's Board of Directors meetings. The meeting minutes shall record the following:</p> <ol style="list-style-type: none"> <li>1. Session (or year), time, and place of meeting.</li> <li>2. Name of the meeting chair.</li> <li>3. Attendance of directors at the meeting, specifying the names and number of members present, excused, and absent.</li> <li>4. Names and titles of those attending the meeting as nonvoting participants.</li> <li>5. Name of minutes taker.</li> <li>6. Matters reported on.</li> <li>7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of article 14, an explanation of the important aspects of the relationship of interest, the</li> </ol>	<p>Minutes and signatures Minutes shall be prepared of the discussions at the Company's Board of Directors meetings. The meeting minutes shall record the following:</p> <ol style="list-style-type: none"> <li>1. Session (or year), time, and place of meeting.</li> <li>2. Name of the meeting chair.</li> <li>3. Attendance of directors at the meeting, specifying the names and number of members present, excused, and absent.</li> <li>4. Names and titles of those attending the meeting as nonvoting participants.</li> <li>5. Name of minutes taker.</li> <li>6. Matters reported on.</li> <li>7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, <del>supervisors</del>, experts, or other persons; the name of any director</li> </ol>	In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.

Article	After revision	Before revision	Reason
	<p>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 under Article 12, paragraph 4.</p> <p>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, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1, article 14, 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.</p> <p>9. Other matters required to be recorded. Any matter about which an independent director expresses an objection or reservation in relation to a resolution passed at a meeting of the Board of Directors that has been included in records or stated in writing, 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: 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 meeting chair and the minutes taker; a copy of the minutes shall be distributed to each director within 20 days after the meeting and well preserved as important company records during the existence of the company. The production and distribution of the meeting minutes referred to in paragraph 1 may be done in electronic form.</p>	<p>that is an interested party as referred to in paragraph 1 of article 14, 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 under Article 12, paragraph 5.</p> <p>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, <del>supervisors</del>, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1, article 14, 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.</p> <p>9. Other matters required to be recorded. Any matter about which an independent director expresses an objection or reservation in relation to a resolution passed at a meeting of the Board of Directors that has been included in records or stated in writing, 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: The attendance book (<del>table</del>) 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</p>	

Article	After revision	Before revision	Reason
		<p>seal of both the meeting chair and the minutes taker; a copy of the minutes shall be distributed to each director <del>and supervisor</del> within 20 days after the meeting and well preserved as important company records during the existence of the company.</p>	
17.	<p>Supplementary provision Establishment of these Rules shall be subject to consent of the Board and raised to report at a Shareholders' Meeting. Any amendment to these Rules shall be authorized for resolution made by the Board of Directors.</p>	<p>Supplementary provision Establishment <del>and amendment</del> of these Rules shall be subject to consent of the Board and raised to report at a Shareholders' Meeting.</p>	<p>In accordance with Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>

## Keysheen (Cayman) Holdings Co., Limited

### The Distribution of Earnings 2019

Item	NTD		Note
	sub-total	Total	
The undistributed profits in the previous year		700,795,474	
Plus : Net income for the year 2019	48,367,681		
Less : Setting aside special reserve	(170,304,992)	(121,937,311)	
The distributable retained earnings		578,858,163	
Stock dividends (NTD0 per share)	0	0	
Cash dividends (NTD0.37 per share)	(38,576,570)	(38,576,570)	
The ending retained earnings of the year		540,281,593	

Chairman: LIU CHUNG-HSIN    Manager: LIU I-HSIAO    Chief Accountant: YI YING-JIAO

## KEYSHEEN (CAYMAN) HOLDINGS CO., LIMITED

## Comparison table for the amendments of the Articles of Incorporation

Article	After amendment	Before amendment	Reason for amendment
1.	..... <u>"Audit Committee" means a committee consist of independent directors of the Company and subordinate to the Board of Directors</u>	..... <del>"Supervisors" means a Supervisor as defined in these Articles and the Applicable Listing Rules;</del>	In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018, Jin-guan-zheng-fa-zi No. 10703452331, an Audit Committee is established to replace the powers of the Supervisor.
7-1	<u>The management of the Company's business shall comply with the laws, regulations, and business ethics, and may adopt actions that promote public interests to fulfill its social responsibilities.</u>	New addition	Amended in accordance with the revised "Checklist for Protection of Shareholders Rights and Interests in Foreign Issuer's Country of Registration" by the Taiwan Stock Exchange Co., Ltd.
11.	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 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. For as long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, the Company shall not issue share certificates and upon each issuance of new Shares, the Company shall within 30 days from the completion date of issuance of such Shares cause its Shareholders' Service Agent to	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 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. For as long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, the Company shall not issue share certificates and upon each issuance of new Shares, the Company shall within 30 days from the completion date of issuance of such Shares cause its	Amended in accordance with the revised "Checklist for the Protection of the Rights and Interests of Shareholders in the Country of Registration of Foreign Issuers" of Taiwan Stock Exchange Corporation.

Article	After amendment	Before amendment	Reason for amendment
	<p>enter the name of the Shareholder in the Register and to effect the Book-Entry Transfer in the Shareholder's account with the Depository. The Company shall make a public announcement in accordance with the Applicable Listing Rules prior to the Book-Entry Transfer.</p> <p><u>When the Shareholder delays the payment, the Company shall set a deadline of more than one month and urge the Shareholder to pay. However, if the Company sets a payment period of more than one month, and if the Shareholder fails to pay the share payment after the due date, then the Shareholder loses the rights and the Company needs not to make the aforementioned reminder procedure.</u></p>	<p>Shareholders' Service Agent to enter the name of the Shareholder in the Register and to effect the Book-Entry Transfer in the Shareholder's account with the Depository. The Company shall make a public announcement in accordance with the Applicable Listing Rules prior to the Book-Entry Transfer.</p>	
31.	<p>(a) Subject to the Law, the Company may also by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by the Law. <u>Except as otherwise provided by Cayman Company Law or applicable listing rules, the reduction of capital shall be reduced by proportion to the shares held by the shareholders.</u></p> <p><u>(b)When the Company reduces its capital, it can use its property other than cash to refund the shares; the property and the amount of the refund shall be determined by the general meeting and approved by the Shareholders receiving the property.</u></p>	<p>Subject to the Law, the Company may also by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by the Law.</p>	<p>Amended in accordance with the revised "Checklist for Protection of Shareholders Rights and Interests in Foreign Issuer's Country of Registration" by the Taiwan Stock Exchange Co., Ltd.</p>



Article	After amendment	Before amendment	Reason for amendment
	<p><u>(c) When the Shares are traded on the Emerging Market, the GreTai Securities Market, or TSE, the value of the property referred to in the preceding paragraph shall be submitted by the Board of Directors to an accountant of the Republic of China for verification before the general meeting.</u></p>		
44.	<p>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 or listed in the GreTai Securities Market or TSE, all general meetings shall be held at such time and place as may be determined by the Board in Taiwan. If the Directors resolve to hold a general meeting outside Taiwan, the Company shall apply for the approval of the GreTai Securities Market (or the TSE, if applicable) thereof within 2 days after the Board of Directors adopts such resolution or after the approval of relevant authorities for Shareholders to convene the general meeting. Where a general meeting is to be held outside Taiwan, the Company shall engage a Shareholders' Services Agent to handle the administration of Shareholder voting matters for such general meeting.</p>	<p>At these meetings the report of the Directors <del>and Supervisors</del> (if any) shall be presented. For so long as the Shares are registered in the Emerging Market or listed in the GreTai Securities Market or TSE, all general meetings shall be held at such time and place as may be determined by the Board in Taiwan. If the Directors resolve to hold a general meeting outside Taiwan, the Company shall apply for the approval of the GreTai Securities Market (or the TSE, if applicable) thereof within 2 days after the Board of Directors adopts such resolution or after the approval of relevant authorities for Shareholders to convene the general meeting. Where a general meeting is to be held outside Taiwan, the Company shall engage a Shareholders' Services Agent to handle the administration of Shareholder voting matters for such general meeting.</p>	<p>In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018, Jin-guan-zheng-fa-zi No. 10703452331, an Audit Committee is established to replace the powers of the Supervisor.</p>
47.	<p>(a) election or discharge of Directors;</p>	<p>(a) election or discharge of Directors <del>or Supervisors</del>;</p>	<p>In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018, Jin-guan-zheng-fa-zi</p>

Article	After amendment	Before amendment	Reason for amendment
			No. 10703452331, an Audit Committee is established to replace the powers of the Supervisor.
57.	<p>The Company shall by a Supermajority Resolution Type A or, in lieu thereof, if the total number of Shares represented at the general meeting is not sufficient to constitute a quorum for Supermajority Resolution Type A, a Supermajority Resolution Type B:</p> <ul style="list-style-type: none"> <li>(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;</li> <li>(b) transfer the whole or any material part of its business or assets;</li> <li>(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;</li> <li>(d) subject to the Law, effect any Spin-off of the Company in accordance with the Applicable Listing Rules;</li> <li>(e) carry out private placement of its securities;</li> <li>(f) distribute part or all of its dividends or bonus by way of issuance of new Shares;</li> <li>(g) grant of waiver to a Director's engaging in any business within the scope of the Company's business;</li> </ul>	<p>The Company shall by a Supermajority Resolution Type A or, in lieu thereof, if the total number of Shares represented at the general meeting is not sufficient to constitute a quorum for Supermajority Resolution Type A, a Supermajority Resolution Type B:</p> <ul style="list-style-type: none"> <li>(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;</li> <li>(b) transfer the whole or any material part of its business or assets;</li> <li>(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;</li> <li>(d) subject to the Law, effect any Spin-off of the Company in accordance with the Applicable Listing Rules;</li> <li>(e) carry out private placement of its securities;</li> <li>(f) distribute part or all of its dividends or bonus by way of issuance of new Shares;</li> <li>(g) grant of waiver to a Director's engaging in any</li> </ul>	Amended in accordance with the revised "Checklist for Protection of Shareholders Rights and Interests in Foreign Issuer's Country of Registration" by the Taiwan Stock Exchange Co., Ltd.

Article	After amendment	Before amendment	Reason for amendment
	<p>(h) issuance of Restricted Shares.</p> <p>(i) amend the Articles;</p> <p>(j) where the amendment to the Articles may adversely affect the rights of preferred Shareholders, such amendment shall be approved at a general meeting of preferred Shareholders;</p> <p><u>(k) Acquisition or share exchange.</u></p>	<p>business within the scope of the Company's business;</p> <p>(h) issuance of Restricted Shares.</p> <p>(i) amend the Articles;</p> <p>(j) where the amendment to the Articles may adversely affect the rights of preferred Shareholders, such amendment shall be approved at a general meeting of preferred Shareholders.</p>	
60.	<p>(B) In the event of the Company's business is Spun Off, involved in any <u>Merger, acquisition or share exchange</u> pursuant to paragraph (d) and <u>(k)</u> of Article 57 or Article 58 (A) respectively, 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 in writing request the Company to repurchase all of his Shares at the then prevailing fair price within 20 days after the adoption of the resolution by the general meeting stating the kinds and number of Shares owned.</p> <p>(C) In the event the price of the Shares repurchase mentioned in Article 60(A) or Article 60(B) is negotiated between the Company and the selling Shareholder, the Company shall repurchase the Shares within 90 days after it reaches</p>	<p>(B) In the event <del>any part</del> of the Company's business is Spun Off or involved in any Merger <del>with any other company</del> pursuant to paragraph (d) of Article 57 or Article 58 (A) respectively, 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 in writing request the Company to repurchase all of his Shares at the then prevailing fair price within 20 days after the adoption of the resolution by the general meeting stating the kinds and number of Shares owned.</p> <p>(C) In the event the price of the Shares repurchase mentioned in Article 60(A) or Article 60(B) is negotiated between the</p>	Amended in accordance with the revised "Checklist for Protection of Shareholders Rights and Interests in Foreign Issuer's Country of Registration" by the Taiwan Stock Exchange Co., Ltd.

Article	After amendment	Before amendment	Reason for amendment
	<p>a repurchase agreement with the Shareholder. <u>In the event that no repurchase agreement is reached, the Company shall, within 90 days from the date of the resolution, pay the price which it deems to fair to the Shareholder who has not reached a repurchase agreement; if the company fails to pay the price, it shall be deemed that it agrees with the price requested by the Shareholder.</u> In the event the Company fails to reach a repurchase agreement with the Shareholder within 60 days after the resolution date, the Shareholder may, within 30 days after such 60-day period, <u>take all the Shareholders who have not reached a repurchase agreement as the counterpart and</u> file a petition to any competent court of Taiwan for a ruling on the appraisal price, and to the extent such ruling by the Taiwan court is capable of recognition and enforcement 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.</p>	<p>Company and the selling Shareholder, the Company shall repurchase the Shares within 90 days after it reaches a repurchase agreement with the Shareholder. In the event the Company fails to reach a repurchase agreement with the Shareholder within 60 days after the resolution date, the Shareholder may, within 30 days after such 60-day period, file a petition to any competent court of Taiwan for a ruling on the appraisal price, and to the extent such ruling by the Taiwan court is capable of recognition and enforcement 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.</p>	
80.	<p>The Directors may adopt a candidate nomination mechanism and promulgate the relevant rules and procedures of such candidate nomination mechanism pursuant to the Applicable Listing Rules. The appointment of Directors,</p>	<p>The Directors may adopt a candidate nomination mechanism and promulgate the relevant rules and procedures of such candidate nomination mechanism pursuant to the Applicable Listing Rules. The</p>	<p>In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018, Jin-guan-zheng-fa-zi No. 10703452331, an</p>

Article	After amendment	Before amendment	Reason for amendment
	Independent Directors shall be done in accordance with the candidate nomination mechanism of the Applicable Listing Rules.	appointment of Directors, Independent Directors <del>and Supervisors</del> shall be done in accordance with the candidate nomination mechanism of the Applicable Listing Rules.	Audit Committee is established to replace the powers of the Supervisor.
82-1	<u>In the event that the general meeting elects all Directors before the expiration of the term of office of the Directors, if no resolution is made that the Directors shall be discharged upon the expiration of the term of office, it shall be deemed as early discharge.</u> <u>The election referred to in the preceding paragraph shall be attended by Shareholders representing more than half of the total number of issued Shares of the Company.</u>	New addition	Amended in accordance with the revised “Checklist for Protection of Shareholders Rights and Interests in Foreign Issuer’s Country of Registration” by the Taiwan Stock Exchange Co., Ltd.
85-1	<u>The qualification, assembly, election, removal, exercise of powers and other matters to be followed by Directors, Independent Directors, and Audit Committee shall be in accordance with the Securities and Exchange Act of Taiwan.</u>	New addition	Amended in accordance with the revised “Checklist for Protection of Shareholders Rights and Interests in Foreign Issuer’s Country of Registration” by the Taiwan Stock Exchange Co., Ltd.
95-1	<u>The Directors of the Company shall faithfully execute the business and exercise the duty of care of a good administrator, and shall be liable for damages in case of any breach of the duty. If the act is committed by himself or others, the general meeting may resolve to treat the proceeds of the act as the proceeds of the company.</u> <u>The Directors of the Company shall be jointly and severally liable</u>	New addition	Amended in accordance with the revised “Checklist for Protection of Shareholders Rights and Interests in Foreign Issuer’s Country of Registration” by the Taiwan Stock Exchange Co., Ltd.

Article	After amendment	Before amendment	Reason for amendment
	<p><u>to the Company for damages caused to others in violation of laws and regulations in the execution of the Company's business.</u></p> <p><u>The officers of the Company shall be liable for the same damages as the Directors of the Company within the scope of his duties.</u></p>		
105.	<p>Director who is in any way, whether directly or indirectly, personally interested in a matter to be discussed at a Board Meeting, which personal interest may impair the interests of the Company, shall declare the nature of his personal interest to the Board ; <u>In the process of Merger and acquisition, the Director of the Company shall explain to the Board and the general meeting the important contents of their own interests in the Merger and acquisition transaction and the reasons for approving or opposing the Merger and acquisition resolution.</u></p> <p>Where the spouse, a blood relative within the second degree of kinship of a Director, or any company which has a controlling or subordinate relation with a Director is interested in a matter under discussion in the meeting of the preceding paragraph, such Director shall be deemed to have a personal interest in the matter. In the event that a Director is personally interested in a matter to be discussed at a Board meeting, and which personal interest may impair the interests of the Company, such Director shall refrain from participating in the vote or exercising voting right on</p>	<p>Director who is in any way, whether directly or indirectly, personally interested in a matter to be discussed at a Board Meeting, which personal interest may impair the interests of the Company, shall declare the nature of his personal interest to the Board.</p> <p>Where the spouse, a blood relative within the second degree of kinship of a Director, or any company which has a controlling or subordinate relation with a Director is interested in a matter under discussion in the meeting of the preceding paragraph, such Director shall be deemed to have a personal interest in the matter. In the event that a Director is personally interested in a matter to be discussed at a Board meeting, and which personal interest may impair the interests of the Company, such Director shall refrain from participating in the vote or exercising voting right on such matter on behalf of another Director in said Board meeting. The voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the Board</p>	<p>Amended in accordance with the revised “Checklist for Protection of Shareholders Rights and Interests in Foreign Issuer’s Country of Registration” by the Taiwan Stock Exchange Co., Ltd.</p>

Article	After amendment	Before amendment	Reason for amendment
	such matter on behalf of another Director in said Board meeting. The voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the Board meeting (but shall still be counted in the quorum for such meeting).	meeting (but shall still be counted in the quorum for such meeting).	
107.	A Director may hold any other office or place of profit under the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the 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.	A Director may hold any other office or place of profit ( <del>other than the office of Supervisor</del> ) under the Company 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.	In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018, Jin-guan-zheng-fa-zi No. 10703452331, an Audit Committee is established to replace the powers of the Supervisor.
109.	(c) Any matter bearing on the personal interest of a Director;	(c) Any matter bearing on the personal interest of a Director <del>or Supervisor</del> ;	In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018, Jin-guan-zheng-fa-zi No. 10703452331, an Audit Committee is established to replace the powers of the

Article	After amendment	Before amendment	Reason for amendment
			Supervisor.
115.	<p><u>Audit Committee</u></p> <p>The Company shall establish an <u>Audit Committee. The Audit Committee shall be composed of all Independent Directors. The number of the committee members shall not be less than three, and one of the members shall be the convener, who shall be responsible for convening the Audit Committee meeting from time to time, and at least one of the members shall have accounting or financial expertise. The resolution of the Audit Committee shall be approved by more than or equal to half of all the members of the Audit Committee.</u></p>	<p><del>SUPERVISORS</del></p> <p><del>Unless otherwise determined by the Company in general meeting, the general meeting shall appoint any natural person or corporation to be a Supervisor. Prior to the shares of the Company being listed on the TSE or the GreTai Securities Market, the number of Supervisors shall be no less than 3 Supervisors of whom at least one shall have domicile in Taiwan, the exact number and qualifications of Supervisors to be determined from time to time solely by an Ordinary Resolution of the general meeting always in accordance with the applicable laws, rules or regulations or the Applicable Listing Rules.</del></p>	In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018, Jin-guan-zheng-fa-zi No. 10703452331, an Audit Committee is established to replace the powers of the Supervisor.
116.	<p>The following matters shall be <u>approved by more than two-thirds of all members of the audit committee and submitted to the Board of Directors for resolution:</u></p> <p>(a) <u>Adoption or amendment of the Company's internal control system;</u></p> <p>(b) <u>Evaluation of the effectiveness of the internal control system;</u></p> <p>(c) <u>Adoption or amendment of handling procedures for financial or operational actions of material significance to the Company, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees</u></p>	<p><del>Every Supervisor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the Supervisors.</del></p>	In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018, Jin-guan-zheng-fa-zi No. 10703452331, an Audit Committee is established to replace the powers of the Supervisor.



Article	After amendment	Before amendment	Reason for amendment
	<p><u>for others;</u></p> <p>(d) <u>Any matter bearing on the personal interest of a Director;</u></p> <p>(e) <u>Material asset or derivatives transactions;</u></p> <p>(f) <u>Material monetary loan, endorsement, or provision of guarantee;</u></p> <p>(g) <u>The offering, issuance, or private placement of any equity-type securities;</u></p> <p>(h) <u>The hiring or dismissal of an attesting certified public accountant, or the compensation given thereto;</u></p> <p>(i) <u>The appointment or discharge of a financial, accounting, or internal auditing officer;</u></p> <p>(j) <u>Annual financial report and semi-annual financial report; and</u></p> <p>(k) <u>Other matters decided by the Company at any time, or any other material matters so required by the competent authorities.</u></p> <p><u>Except for subparagraph (j), any other matter that is not approved by more than or equal to one-half of all members of the Audit Committee may be approved by more than or equal to two-thirds of all Directors, and shall not be subject to the restriction of the preceding paragraph, and the Audit Committee's resolution shall be recorded in the minutes of the Board of Directors.</u></p>		

Article	After amendment	Before amendment	Reason for amendment
117.	<p><u>In addition to the circumstance where the Board fails to or is unable to convene a general meeting, the independent directors of the Audit Committee may, for the benefit of the Company, convene a general meeting whenever necessary.</u></p>	<p><del>Supervisors shall audit the various financial statements and records prepared by the Directors for submission to the annual general meeting, and shall make a report of their findings and opinions at such meeting. In performing their functional duties under this Article, the Supervisors may appoint the independent auditors to conduct the auditing in their behalf. Supervisors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment, and at any time during their term of office, upon request of the Directors or any general meeting of the Shareholders.</del></p>	<p>In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018, Jin-guan-zheng-fa-zi No. 10703452331, an Audit Committee is established to replace the powers of the Supervisor.</p>
118.	<p><u>(a) Before the Company convenes the Board of Directors to resolve the Merger and acquisition matters, the Audit Committee shall review the fairness and reasonableness of the Merger and acquisition plan and transaction, and submit the review results to the Board of Directors and the general meeting. However, if it is not necessary to convene the general meeting to resolve the Merger and acquisition matters in accordance with the Cayman company laws, it may not need to be submitted to the general meeting.</u></p> <p><u>(b) When the Audit Committee is deliberating, it shall appoint an independent expert to provide</u></p>	<p><del>A Supervisor shall not be concurrently a Director, an officer or other staff or employee of the Company or its Affiliated Companies.</del></p>	<p>Amended in accordance with the revised “Checklist for Protection of Shareholders Rights and Interests in Foreign Issuer’s Country of Registration” by the Taiwan Stock Exchange Co., Ltd.</p>

Article	After amendment	Before amendment	Reason for amendment
	<p><u>the opinion on the reasonableness of the share conversion ratio or the cash or other assets distributed to the Shareholders.</u></p> <p><u>(c) The results of the Audit Committee's deliberations and the independent expert's opinions shall be sent to the Shareholders together with the notice of convening the general meeting; however, if the Merger and acquisition is exempt from the resolution of the general meeting in accordance with the company laws of Cayman Island, a report on the Merger and acquisition shall be made at the latest general meeting.</u></p> <p><u>(d) The documents to be sent to the Shareholders referred to in the preceding paragraph shall be deemed to have been delivered the Shareholders after the Company has announced the same content on the website designated by the securities regulatory authority of the Republic of China and placed at the meeting venue of the general meeting for the Shareholders to consult.</u></p>		
119.	<p><u>The Audit Committee shall audit the various financial statements and records prepared by the Directors for submission to the annual general meeting.</u></p>	<p><del>Supervisors shall supervise the execution of business operations of the Company, and may at any time or from time to time investigate the business and financial conditions of the Company, examine, transcribe or make copies of the accounting books and documents, and request the Directors or officers</del></p>	<p>In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018, Jin-guan-zheng-fa-zi No. 10703452331, an Audit Committee is established to replace the powers of the</p>

Article	After amendment	Before amendment	Reason for amendment
		to make reports thereon. In performing their functional duties under this Article, the Supervisors may appoint, on behalf of the Company, a practicing lawyer and the independent auditors to conduct the examination.	Supervisor.
120.	<u>To the extent permitted by the company law, any matters concerning the Audit Committee that are not specified in the Memorandum of Association shall be governed by applicable laws and regulations.</u>	<del>When Directors discover the possibility that the Company will suffer substantial damage, the Directors shall report to the Supervisor immediately.</del>	In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018, Jin-guan-zheng-fa-zi No. 10703452331, an Audit Committee is established to replace the powers of the Supervisor.
121.	Deletion	<del>Supervisors may attend the meeting of the Directors and express their opinions therein. At the request of the Supervisors, the opinions of the Supervisors shall be recorded in the minutes of the meeting of the Directors. In case the Directors or any Director commits any act, in carrying out the business operations of the Company, in a manner in violation of the Law, the Applicable Listing Rules, these Articles or the resolutions of the annual general meeting or extraordinary general meeting, the Supervisors shall forthwith advise, by a notice, to the Directors or the Director, as the case may be, to cease such act.</del>	In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018, Jin-guan-zheng-fa-zi No. 10703452331, an Audit Committee is established to replace the powers of the Supervisor.
122.	Deletion	<del>(A) Subject to the Law and Cayman Islands laws, Shareholder(s) who has/have been continuously holding 1</del>	In accordance with the regulations of the Financial Supervisory Commission of Taiwan

Article	After amendment	Before amendment	Reason for amendment
		<p><del>percent or more of the total number of the issued Shares of the Company for over 6 months may request in writing the Supervisors of the Company to institute, for and on behalf of the Company, an action against a Director of the Company; such action may be instituted in the Taipei District Court as the court of jurisdiction in the first instance.</del></p> <p><del>(B) In case the Supervisors fail to institute an action within 30 days after having received the request made under the preceding paragraph, then the Shareholders filing such request under the preceding paragraph may institute the action for and on behalf of the Company; such action may be instituted in the Taipei District Court as the court of jurisdiction in the first instance.</del></p> <p><del>(C) In addition to the circumstance where the Board fails to or is unable to convene a general meeting, the Supervisors may, for the benefit of the Company, convene a general meeting whenever necessary.</del></p>	<p>on December 19, 2018, Jin-guan-zheng-fa-zi No. 10703452331, an Audit Committee is established to replace the powers of the Supervisor.</p>
123.	Deletion	<p><del>Supervisors may each exercise their supervision power hereunder individually.</del></p>	<p>In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018, Jin-guan-zheng-fa-zi</p>

Article	After amendment	Before amendment	Reason for amendment
			No. 10703452331, an Audit Committee is established to replace the powers of the Supervisor.
124.	Deletion	<del>In case a Director transacts a sales with, or borrows money from or conducts any legal act with the Company on his own account or for any other person, Supervisors shall act as the representative of the Company.</del>	In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018, Jin-guan-zheng-fa-zi No. 10703452331, an Audit Committee is established to replace the powers of the Supervisor.
125.	Deletion	<del>Subject to the Law and the Applicable Listing Rules, Supervisors shall be bound by the same standards of fiduciary duties as required of the Directors by the Law.</del>	In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018, Jin-guan-zheng-fa-zi No. 10703452331, an Audit Committee is established to replace the powers of the Supervisor.
126.	Deletion	<del>In the event all Supervisors of the Company are discharged, the Board of Directors shall, within 30 days thereof, convene an extraordinary general meeting to elect new Supervisors. After the Shares of the Company are listed, however, the extraordinary general meeting for the above purpose shall be convened within 60 days thereof.</del>	In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018, Jin-guan-zheng-fa-zi No. 10703452331, an Audit Committee is established to replace the powers of the Supervisor.
127.	Deletion	<del>Articles 79, 80, 81, 82, 86, and 99 shall apply mutatis mutandis to Supervisors.</del>	In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018,

Article	After amendment	Before amendment	Reason for amendment
			Jin-guan-zheng-fa-zi No. 10703452331, an Audit Committee is established to replace the powers of the Supervisor.
129.	<p>(C) Where the Company has profits (indicating the net profits of the pre-tax income deducting the employees' remuneration and <u>directors</u> compensation), the allocated percentage is set in the following order:</p> <p>(a) No less than zero point one percent (0.10%) for remuneration to employees. When the employee remuneration may be paid in the form of new shares issued by the Company or cash, the employees of subsidiaries of the company meeting certain specific requirements are entitled to receive shares or cash.</p> <p>(b) No more than three point five percent (3.5%) for compensation of Directors; it shall be distributed by cash only.</p> <p>If the Company has accumulated losses (including adjustment to unappropriated Surplus Earnings), the recovered amount shall be reserved in advance.</p> <p>Above items (a) and (b) shall be resolved by the Board of Directors, and reported to the shareholder meeting.</p>	<p>(C) Where the Company has profits (indicating the net profits of the pre-tax income deducting the employees' remuneration and <del>directors and supervisors</del><sup>2</sup> compensation), the allocated percentage is set in the following order:</p> <p>(a) No less than zero point one percent (0.10%) for remuneration to employees. When the employee remuneration may be paid in the form of new shares issued by the Company or cash, the employees of subsidiaries of the company meeting certain specific requirements are entitled to receive shares or cash.</p> <p>(b) No more than three point five percent (3.5%) for compensation of <del>Directors and Supervisors</del>; it shall be distributed by cash only.</p> <p>If the Company has accumulated losses (including adjustment to unappropriated Surplus Earnings), the recovered amount shall be reserved in advance.</p> <p>Above items (a) and (b) shall be resolved by the</p>	In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018, Jin-guan-zheng-fa-zi No. 10703452331, an Audit Committee is established to replace the powers of the Supervisor.

Article	After amendment	Before amendment	Reason for amendment
		Board of Directors, and reported to the shareholder meeting.	
130.	<p>(A) The Company may, by Ordinary Resolution, set aside from its Surplus Earnings an additional amount as a special reserve ("Special Reserve").</p> <p>(B) The Board shall establish an account to be called the 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 in the Company. There shall be debited to any Share Premium Account on the redemption or repurchase of a Share the difference between the nominal value of such Share and the redemption or repurchase price provided always that at the discretion of the Directors such sum may be paid out of profits of the Company or, if permitted by the Law, out of Capital.</p>	<p><del>(A)</del> [deleted]</p> <p><del>(B)</del> The Company may, by Ordinary Resolution, set aside from its Surplus Earnings an additional amount as a special reserve ("Special Reserve").</p> <p><del>(C)</del> The Board shall establish an account to be called the 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 in the Company. There shall be debited to any Share Premium Account on the redemption or repurchase of a Share the difference between the nominal value of such Share and the redemption or repurchase price provided always that at the discretion of the Directors such sum may be paid out of profits of the Company or, if permitted by the Law, out of Capital.</p> <p><del>(D)</del> [deleted]</p>	Textual amendment.
137.	At the close of each financial year, the Board of Directors shall prepare and submit the business report, financial statements, and the surplus earning distribution or loss off-setting proposals prepared	At the close of each financial year, the Board of Directors shall prepare and submit the business report, financial statements, and the surplus earning distribution or loss off-	In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018, Jin-guan-zheng-fa-zi



Article	After amendment	Before amendment	Reason for amendment
	by it for the annual general meeting of Shareholders for its ratification. After the annual general meeting, the Board of Directors shall distribute to each Shareholder the copies of ratified financial statements and the resolutions on the earning distribution and/or loss offsetting. The abovementioned statements and resolutions may be distributed by way of a public announcement.	setting proposals prepared by it for the annual general meeting of Shareholders for its ratification. After the annual general meeting, the Board of Directors shall distribute to each Shareholder the copies of ratified financial statements and the resolutions on the earning distribution and/or loss offsetting. The abovementioned statements and resolutions may be distributed by way of a public announcement.	No. 10703452331, an Audit Committee is established to replace the powers of the Supervisor.
138.	The statements and records of accounts prepared by the Directors in accordance with the previous Article on the Company's accounts or business shall be made available at the Office and at the office of the Shareholders' Service Agent in Taiwan for inspection at any time <u>during the normal business hours of the office of the Shareholders' Service Agent in Taiwan</u> , by the Shareholders commencing at least 10 days prior to the annual general meeting.	The statements and records of accounts prepared by the Directors in accordance with the previous Article <del>and any reports of the Supervisors</del> on the Company's accounts or business shall be made available at the Office and at the office of the Shareholders' Service Agent in Taiwan for inspection at any time by the Shareholders commencing at least 10 days prior to the annual general meeting, <del>to which the Shareholders may bring their lawyers or certified public accountants to consummate such an inspection.</del>	In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018, Jin-guan-zheng-fa-zi No. 10703452331, an Audit Committee is established to replace the powers of the Supervisor.
141.	<u>The Board of Directors shall keep at the Office and at the office of its Shareholders' Service Agent in Taiwan copies of the Memorandum and Articles, the minutes of every meeting of the Shareholders and the financial statements, the Register and the counterfoil of corporate bonds issued by the Company. Any Shareholder of the Company may</u>	<del>141. 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.</del>	Amendment to the sequence of the article.

Article	After amendment	Before amendment	Reason for amendment
	<p><u>request, by submitting evidentiary document(s) to show his/her interests involved and indicating the scope of interested matters, an access to inspect, transcribe, or make copies of any such accounting books and records, and the Company shall instruct the Shareholders' Service Agent to provide the same.</u></p>		
142.	<p><u>The Board of Directors or other persons authorized to convene a general meeting may, in the event of convening a general meeting, require the Company or the Shareholders' Service Agent to provide the Register.</u></p>	<p><del>142. The Board of Directors shall keep at the Office and at the office of its Shareholders' Service Agent in Taiwan copies of the Memorandum and Articles, the minutes of every meeting of the Shareholders and the financial statements, the Register and the counterfoil of corporate bonds issued by the Company. Any Shareholder of the Company may request, by submitting evidentiary document(s) to show his/her interests involved and indicating the scope of interested matters, an access to inspect, transcribe, or make copies of any such accounting books and records, and the Company shall instruct the Shareholders' Service Agent to provide the same.</del></p>	Amendment to the sequence of the article.
145.	<p>Within seven 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</p>	<p>Within seven days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its litigation or</p>	<p>In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018,</p>

Article	After amendment	Before amendment	Reason for amendment
	<p>appointed pursuant to the Applicable Listing Rules, the Board of the Directors shall resolve to recommend to the Shareholders whether to accept or object to the tender offer and make a public announcement of the following:</p> <p>(a) The types and amount of the Shares held by the Directors and the Shareholders holding more than 10 percent of the issued Shares in its own name or in the name of other persons.</p> <p>(b) Recommendations to the Shareholders on the tender offer, which shall set forth the names of the Directors who abstain or object to the tender offer and the reason(s) therefor.</p> <p>(c) Whether there is any material change in the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any.</p> <p>(d) The types, numbers and amount of the Shares of the tender offeror or its affiliates held by the Directors and the Shareholders holding more than 10 percent of the issued Shares held in its own name or in the name of other persons.</p>	<p>non-litigation agent appointed pursuant to the Applicable Listing Rules, the Board of the Directors shall resolve to recommend to the Shareholders whether to accept or object to the tender offer and make a public announcement of the following:</p> <p>(a) The types and amount of the Shares held by the Directors, <del>Supervisors</del> and the Shareholders holding more than 10 percent of the issued Shares in its own name or in the name of other persons.</p> <p>(b) Recommendations to the Shareholders on the tender offer, which shall set forth the names of the Directors who abstain or object to the tender offer and the reason(s) therefor.</p> <p>(c) Whether there is any material change in the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any.</p> <p>(d) The types, numbers and amount of the Shares of the tender offeror or its affiliates held by the Directors, <del>Supervisors</del> and the Shareholders holding more than 10 percent of the issued Shares held in its</p>	<p>Jin-guan-zheng-fa-zi No. 10703452331, an Audit Committee is established to replace the powers of the Supervisor.</p>

Article	After amendment	Before amendment	Reason for amendment
		own name or in the name of other persons.	
151.	Every Director (including for the purposes of this Article any alternate Director appointed pursuant to the provisions of these Articles) and other officer for the time being and from time to time of the Company (each an "Indemnified Person") shall 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. No Indemnified Person shall be liable to the Company unless such liability arises through such Indemnified Person's own dishonesty, wilful default or fraud.	Every Director (including for the purposes of this Article any alternate Director appointed pursuant to the provisions of these Articles), <del>Supervisor</del> , and other officer for the time being and from time to time of the Company (each an "Indemnified Person") shall 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. No Indemnified Person shall be liable to the Company unless such liability arises through such Indemnified Person's own	In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018, Jin-guan-zheng-fa-zi No. 10703452331, an Audit Committee is established to replace the powers of the Supervisor.

Article	After amendment	Before amendment	Reason for amendment
		dishonesty, wilful default or fraud.	
152.	For the benefit of every Director and other officer for the time being and from time to time of the Company, the Company may purchase liability insurance for them (the “ <b>Director and Officer Insurance</b> ”); provided that the liability is limited to the performance of his duties pursuant to the Articles, Law and the Applicable Listing Rules.	For the benefit of every Director, <del>Supervisor</del> , and other officer for the time being and from time to time of the Company, the Company may purchase liability insurance for them (the “ <b>Director and Officer Insurance</b> ”); provided that the liability is limited to the performance of his duties pursuant to the Articles, Law and the Applicable Listing Rules.	In accordance with the regulations of the Financial Supervisory Commission of Taiwan on December 19, 2018, Jin-guan-zheng-fa-zi No. 10703452331, an Audit Committee is established to replace the powers of the Supervisor.

**Keysheen (Cayman) Holdings Co., Limited**

Comparison table for the amendments of the procedures for acquisition or disposal assets

Article	After revision	Before revision	Reason
5.	<p>When the Company intends to acquire or dispose of assets and the transaction amount reaches 20 percent or more of paid-in capital, or NT\$300 million or more, the company may not proceed to enter into a transaction contract until it has been approved by <u>the audit committee</u> and the Board of Directors. The transaction amount has not reached 20 percent of paid-in capital or less than NT\$300 million, the Board can authorize the Chairman to handle the matter and report to the Board for recognition on an after-the-event basis.</p> <p>When the Company intends to acquire or dispose of <u>major</u> assets and <u>derivatives</u>, it should be <u>approved by more than one-half of all members of the audit committee in accordance with relevant regulations and submitted to the Board of Directors for approval.</u></p>	<p>When the Company intends to acquire or dispose of assets and the transaction amount reaches 20 percent or more of paid-in capital, or NT\$300 million or more, the company may not proceed to enter into a transaction contract until it has been approved by the board of directors. The transaction amount has not reached 20 percent of paid-in capital or less than NT\$300 million, the Board can authorize the Chairman to handle the matter and report to the Board for recognition on an after-the-event basis.</p> <p><del>With respect to the Company's acquisition or disposal of assets that is subject to the approval of the board of directors under the Company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each supervisor. Where the position of independent director has been created in accordance with the provisions of the Act, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</del></p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>
8.1	<p>Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted <u>in order</u> for approvals by <u>the audit committee</u> and the Board of Directors; the same procedure</p>	<p>Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to</p>

Article	After revision	Before revision	Reason
	shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.	whenever there is any subsequent change to the terms and conditions of the transaction.	replace the Supervisors with Audit Committee.
14.	<p>When the Company intends to acquire or dispose of real property to a related party, or when it intends to acquire or dispose of assets other than real property to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under re-purchase and re-sale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have <u>been recognized by the audit committee and approved by the Board of Directors</u>,:</p> <p>14.1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>14.2. The reason for choosing the related party as a transaction counterparty.</p> <p>14.3. With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 15 and Article 16.</p> <p>14.4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>14.5. Monthly cash flow forecasts</p>	<p>When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors <del>and recognized by the supervisors</del>:</p> <p>14.1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>14.2. The reason for choosing the related party as a transaction counterparty.</p> <p>14.3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 15 and Article 16.</p> <p>14.4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>

Article	After revision	Before revision	Reason
	<p>for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>14.6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>14.7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 45, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have <u>been recognized by the audit committee and approved by the Board of Directors</u> need not be counted toward the transaction amount. Acquisition or disposal of equipment held for business use, when to be conducted between the Company and its subsidiaries or among its subsidiaries, the Company's Board of Directors may pursuant to Article 5 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting.</p>	<p>transaction counterparty's relationship to the company and the related party.</p> <p>14.5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>14.6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>14.7. Restrictive covenants and other important stipulations associated with the transaction.</p>	
17.2	<p><u>The audit committee</u> shall comply with Article 218 of the Company Act.</p>	<p><del>Supervisors</del> shall comply with Article 218 of the Company Act.</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to</p>



Article	After revision	Before revision	Reason
			replace the Supervisors with Audit Committee.
19.	<p>The purpose of engaging in derivatives trading should be to avoid risks. The choice of trading commodities should be based on avoiding the business operations risk of the company. The currency position held must match the foreign currency demand of the company's actual import and export transactions. Based on the overall position of the company, it can reduce the overall foreign exchange risk and save operating costs.</p> <p>Other specific transactions are subject to careful assessment then proceed after being <u>reported to the audit committee and then obtaining</u> the approval of the Board of Directors.</p>	<p>The purpose of engaging in derivatives trading should be to avoid risks. The choice of trading commodities should be based on avoiding the business operations risk of the company. The currency position held must match the foreign currency demand of the company's actual import and export transactions. Based on the overall position of the company, it can reduce the overall foreign exchange risk and save operating costs.</p> <p>Other specific transactions are subject to careful assessment then proceed after obtaining the approval of the board of directors.</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>
21.	<p>The amount of derivative transactions for the hedging purpose shall not exceed the actual demand for net foreign exchange positions. If the actual demand is exceeded, need <u>the audit committee and</u> the Board of Directors' approval.</p>	<p>The amount of derivative transactions for the hedging purpose shall not exceed the actual demand for net foreign exchange positions. If the actual demand is exceeded, need the board of directors' approval.</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>
33.	<p>The internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading unit adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, <u>the members of the audit committee</u> shall be notified in writing.</p>	<p>The internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, <del>all supervisors</del> shall be notified in writing. <del>Where independent directors have been appointed in accordance with the provisions of the Act, for</del></p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>

Article	After revision	Before revision	Reason
		<del>matters for which notice shall be given to the supervisors under the preceding paragraph, written notice shall also be given to the independent directors.</del>	
39.	<p>When participating in a merger, de-merger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference.</p> <p>39.1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, de-merger, acquisition, or transfer of another company's shares prior to disclosure of the information.</p> <p>39.2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract and the convening of a Board of Directors' meeting.</p> <p>39.3. Important documents and minutes: Including merger, de-merger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors' meetings.</p> <p>Within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the Financial Supervisory Commission of Taiwan for recordation.</p>	<p>When participating in a merger, de-merger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference.</p> <p>39.1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, de-merger, acquisition, or transfer of another company's shares prior to disclosure of the information.</p> <p>39.2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract and the convening of a board of directors' meeting.</p> <p>39.3. Important documents and minutes: Including merger, de-merger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors' meetings.</p> <p>When participating in a merger, de-merger, acquisition, or transfer of another company's shares, the company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system)</p>	Verbal amendment

Article	After revision	Before revision	Reason
		the information set out in subparagraphs 1 and 2 of the preceding paragraph to the Financial Supervisory Commission of Taiwan for recordation.	
55	<p>Implementation and revision</p> <p>The Procedures, <u>after being ratified by one-half of the members in audit committee, shall then be submitted to the Board of Directors for resolution, and submit to the shareholders' meeting for approval. The same shall apply to any amendments to the Procedures. If the above paragraph is not ratified by more than one-half of all members of the audit committee, more than two-thirds of all directors may agree to do so, and the resolutions of the audit committee shall be stated in the minutes of the board meeting.</u></p>	<p>Implementation and revision</p> <p><del>The Company shall formulate the Procedures, and, after passage by the board of directors, submit the Procedures to each supervisor and submit them for approval by the shareholders' meeting. The same shall apply to any amendments to the Procedures. Where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to each supervisor and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures. Where the position of independent director has been created in accordance with the provisions of the Act, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</del></p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>

**Keysheen (Cayman) Holdings Co., Limited**

Comparison table for the amendments of the procedures for lending funds to other parties

Article	After revision	Before revision	Reason
(III)	<p>Evaluation standards for reason and necessity of extending loans to others: Where funds are loaned for reasons of business dealings, as short-term financing is needed subjected to the following conditions:</p> <ol style="list-style-type: none"> <li>1. The Company with more than 50% of the company's shares has short-term financing for business needs.</li> <li>2. Others have approved loans of funds by <u>the audit committee and</u> the Board of Directors of the company.</li> </ol>	<p>Evaluation standards for reason and necessity of extending loans to others: Where funds are loaned for reasons of business dealings, as short-term financing is needed subjected to the following conditions:</p> <ol style="list-style-type: none"> <li>1. The Company with more than 50% of the company's shares has short-term financing for business needs.</li> <li>2. Others have approved loans of funds by the board of directors of the company.</li> </ol>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>
(V)	<p>Procedures for handling loans of funds.</p> <ol style="list-style-type: none"> <li>1. application procedure (1) Any borrower shall submit an application describing in detail the purpose, term, loan amount requested, together with certain basic information and financial data, to the Finance Department of the Company.</li> <li>(2) Where short-term financing is needed, the reasons for and conditions of extending loans shall be enumerated with borrower credit status assessment. Submit the relevant information and the proposed loan conditions to the general manager and the chairman of the board for review. And the Company may loan funds to others only after the evaluation results have been <u>recognized by the audit committee</u>, submitted to and resolved upon by the Board of Directors. The Company shall not empower any other person to make such decision.</li> <li>(3) When it submits its Operational Procedures for Loaning Funds</li> </ol>	<p>Procedures for handling loans of funds.</p> <ol style="list-style-type: none"> <li>1. application procedure (1) Any borrower shall submit an application describing in detail the purpose, term, loan amount requested, together with certain basic information and financial data, to the Finance Department of the Company.</li> <li>(2) Where short-term financing is needed, the reasons for and conditions of extending loans shall be enumerated with borrower credit status assessment. Submit the relevant information and the proposed loan conditions to the general manager and the chairman of the board for review. And the Company may loan funds to others only after the evaluation results have been submitted to and resolved upon by the board of directors. The Company shall not empower any other person to make such decision.</li> <li><del>(3) Where the company has established the position of independent director, when it loans funds to others, it shall</del></li> </ol>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>

Article	After revision	Before revision	Reason
	<p>to Others for discussion by the Board of Directors under the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinion; independent directors' opinions specifically expressing dissent and their reasons for dissent shall be included in the minutes of the Board of Directors' meeting.</p> <p>(4)The inter-company loans of funds to overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares by the Company, or inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, may waive borrower credit status assessment.</p>	<p>take into full consideration each independent director's opinions; independent directors' opinions specifically expressing dissent or abstention and their reasons shall be included in the minutes of the board of directors' meeting.</p> <p>(4)The inter-company loans of funds to overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares by the Company, or inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, may waive borrower credit status assessment.</p>	
(VIII)	<p>Notices for lending funds to other parties</p> <p>1.Any lending of the Company's funds shall be evaluated with and subject to the Procedures, and then submitted, together with the result of the evaluation to the audit committee and the Board of Directors for their approval and no delegation shall be made to any person in this regard. When fund lending has been approved by the Board of Directors, and the Chairman shall be authorized to handle the matter within the Board's approved amount of fund lending to the same party and the lending is authorized in installment or revolver within one year.</p> <p>2. Internal auditors shall perform auditing on the Company's lending procedures and status every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to</p>	<p>Notices for lending funds to other parties</p> <p>1. Any lending of the Company's funds shall be evaluated with and subject to the Procedures, and then submitted, together with the result of the evaluation to the Board of Directors for its approval and no delegation shall be made to any person in this regard. When fund lending has been approved by the Board of Directors, and the Chairman shall be authorized to handle the matter within the Board's approved amount of fund lending to the same party and the lending is authorized in installment or revolver within one year.</p> <p>2. Internal auditors shall perform auditing on the Company's lending procedures and status every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the Supervisors and</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>

Article	After revision	Before revision	Reason
	<p>notify <u>the members of audit committee.</u></p> <p>3. Should a borrower no longer satisfy the criteria set forth in the Procedure or there be any excess over the lending limit due to unexpected changes of the Company, a corrective plan has to be provided by the Financial Department to <u>the audit committee</u> and the proposed correction actions should be implemented within the period specified in such plan.</p> <p>4. The in-charged person shall prepare details of the lending funds to other company for the previous month before the 10th of each month, and submit them for review.</p>	<p><del>Independent Directors.</del></p> <p>3. Should a borrower no longer satisfy the criteria set forth in the Procedure or there be any excess over the lending limit due to unexpected changes of the Company, a corrective plan has to be provided by the Financial Department to the <del>Supervisors and Independent Directors</del> and the proposed correction actions should be implemented within the period specified in such plan.</p> <p>4. The in-charged person shall prepare details of the lending funds to other company for the previous month before the 10th of each month, and submit them for review.</p>	
(XIII)	<p>Implementation and revision</p> <p>The implementation and revision of this procedures, <u>after being ratified by one-half of the members in audit committee should then submit</u> to the Board of Directors for <u>resolution</u>, and submit to the shareholders' meeting for approval. The same shall apply to any amendments to the Procedures.</p> <p><u>If the above paragraph is not ratified by more than one-half of all members of the audit committee, more than two-thirds of all directors may agree to do so, and the resolutions of the audit committee shall be stated in the minutes of the board meeting.</u></p>	<p>Implementation and revision</p> <p>The Company intending to loan funds to others shall formulate its Operational Procedures for Loaning Funds to Others, and, after passage by the board of directors, <del>submit the Procedures to each supervisor</del> and submit them for approval by the shareholders' meeting; <del>where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to each supervisor and for discussion by the shareholders' meeting.</del> The same shall apply to any amendments to the <del>Procedures.</del></p> <p><del>Where the Company has established the position of independent director, when it submits its Operational Procedures for Loaning Funds to Others for discussion by the board of directors under the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion; independent directors' opinions specifically</del></p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>

Article	After revision	Before revision	Reason
		<del>expressing dissent or abstention and their reasons for dissent shall be included in the minutes of the board of directors' meeting.</del>	

**Keysheen (Cayman) Holdings Co., Limited**

Comparison table for the amendments of the procedures for endorsement and guarantee

Article	After revision	Before revision	Reason
5.	To make in endorsements/guarantees for companies should <u>be ratified by the audit committee</u> and Board of Directors in advance, the Company's Board of Directors may delegate the board chairman to decide such matters when the transaction is within USD50 million and have the decisions subsequently submitted to and ratified by the next <u>audit committee</u> and Board of Directors meetings. When making endorsements/guarantees for other parties, the Company shall take into full consideration each independent director's opinion. <u>Independent directors who express dissent or reservation, shall be documented in the minutes of the Board of Directors' meeting.</u>	To make in endorsements/guarantees for companies, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is within USD50 million and have the decisions subsequently submitted to and ratified by the next board of directors meeting. <del>Where the Company has established the position of independent director, when it submits the Procedures for endorsements/guarantees for discussion by the board of directors under the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.</del>	In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.
6.2.	The financial unit of the company will collect the relevant information and assessment results of the preceding paragraph, and submit it to the chairman for reporting to <u>the audit committee and the Board of Directors</u> and according to the resolution of the Board of Directors.	The financial unit of the company will collect the relevant information and assessment results of the preceding paragraph, and submit it to the chairman for reporting to the board of directors and according to the resolution of the board of directors.	In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.
8.1.	Internal auditors shall perform auditing on the Company's procedures for endorsement and guarantee and status every quarter and produce written auditing reports. Should there	Internal auditors shall perform auditing on the Company's procedures for endorsement and guarantee and status every quarter and produce written auditing	In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to



Article	After revision	Before revision	Reason
	be any violation found, a written report is needed to notify <u>the audit committee</u> .	reports. Should there be any violation found, a written report is needed to notify the <del>Supervisors and Independent Directors</del> .	replace the Supervisors with Audit Committee.
8.2.	Should the party to whom the Company provided endorsement and/or guarantee no longer satisfy the criteria set forth in the Procedure or there be any excess over the limit due to unexpected changes of the Company, a corrective plan has to be provided by the Financial Department (under the Audit Unit's supervision) to <u>the audit committee</u> and the proposed correction actions should be implemented within the period specified in such plan.	Should the party to whom the Company provided endorsement and/or guarantee no longer satisfy the criteria set forth in the Procedure or there be any excess over the limit due to unexpected changes of the Company, a corrective plan has to be provided by the Financial Department (under Audit Unit's supervision) to the <del>Supervisors and Independent Directors</del> and the proposed correction actions should be implemented within the period specified in such plan.	In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.
8.3.	Where the Company needs to exceed the limits set out in the Operating Procedures for Endorsements/Guarantees to satisfy its business requirements, and where the conditions set out in the Operational Procedures for Endorsements/Guarantees are complied with, it shall be <u>ratified by the audit committee</u> <u>then</u> submitted to the Board of Directors for <u>resolution</u> , and half or more of the directors shall act as joint guarantors for any loss that may be caused to the company by the excess endorsement/guarantee. It shall also amend the Operational Procedures for Endorsements/Guarantees accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the company shall	Where the Company needs to exceed the limits set out in the Operating Procedures for Endorsements/Guarantees to satisfy its business requirements, and where the conditions set out in the Operational Procedures for Endorsements/Guarantees are complied with, it shall obtain <del>approval</del> from the board of directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the company by the excess endorsement/guarantee. It shall also amend the Operational Procedures for Endorsements/Guarantees accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the company shall adopt a plan to discharge the amount in excess within a	In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.

Article	After revision	Before revision	Reason
	<p>adopt a plan to discharge the amount in excess within a given time limit.</p> <p>When the Company submits the above item for discussion by the Board of Directors under the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinion. <u>Independent directors who express dissent or reservation, shall be documented in the minutes of the Board of Directors' meeting.</u></p>	<p>given time limit.</p> <p><del>Where the Company has established the position of independent director, when it submits the above item for discussion by the board of directors under the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.</del></p>	
12.	<p>Implementation and revision <u>The Procedures, after being ratified by one-half of the members in audit committee should then submit to the Board of Directors for resolution, and submit to the shareholders' meeting for approval. The same shall apply to any amendments to the Procedures.</u></p> <p><u>If the above paragraph is not ratified by more than one-half of all members of the audit committee, more than two-thirds of all directors may agree to do so, and the resolutions of the audit committee shall be stated in the minutes of the board meeting.</u></p>	<p>Implementation and revision <del>The Company shall formulate the Operational Procedures and, after passage by the board of directors, submit the Procedures to each supervisor and submit them for approval by the shareholders' meeting; where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to each supervisor and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures.</del></p> <p><del>Where the Company has established the position of independent director, when it submits its Operational Procedures for Loaning Funds to Others for discussion by the board of directors under the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion; independent</del></p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>

Article	After revision	Before revision	Reason
		<del>directors' opinions specifically expressing dissent or abstention and their reasons for dissent shall be included in the minutes of the board of directors' meeting.</del>	

**Keysheen (Cayman) Holdings Co., Limited**

Comparison table for the amendments of the Comparison table for the amendments of Procedure for election of Directors and Supervisors

Article	After revision	Before revision	Reason
	Procedures for Election of Directors	Procedures for Election of Directors <del>and Supervisors</del>	In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.
1.	To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.	To ensure a just, fair, and open election of directors <del>and supervisors</del> , these Procedures are adopted pursuant to Articles 21 <del>and 41</del> of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.	In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.
2.	Except as otherwise provided by law and regulation of Taiwan and Cayman Islands or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.	Except as otherwise provided by law and regulation of Taiwan and Cayman Islands or by this Corporation's articles of incorporation, elections of directors <del>and supervisors</del> shall be conducted in accordance with these Procedures.	In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.
4.	In accordance to the Company's Memorandum AND articles OF association, the Company should appoint Independent Directors during the trading of shares in the Taipei Exchange or the Taiwan Stock Exchange. The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies of Taiwan.	<del>Supervisors of this Corporation shall meet the following qualifications:</del> <del>1. Integrity and a practical attitude.</del> <del>2. Impartial judgment.</del> <del>3. Professional knowledge.</del> <del>4. Broad experience.</del> <del>5. Ability to read financial statements.</del> In addition to the requirements of the preceding paragraph, <del>at least one among the supervisors of this Corporation must be an accounting or finance professional.</del> <del>A supervisor may not serve concurrently as the director, managerial officer, or any</del>	In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.

Article	After revision	Before revision	Reason
		<p><del>other employee of this Corporation, and at least one of the supervisors must be domiciled in the Republic of China to be able to promptly fulfill the functions of supervisor.</del></p>	
5.	<p><u>Elections of directors (including independent Directors) at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Taiwan Company Act..</u>  <u>When the number of directors falls below five due to the dismissal of a 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 Company's articles of incorporation, 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 Taipei Exchange Listing under Article 10, Paragraph 1 of the Taipei Exchange</u></p>	<p><del>In accordance to the Company's Memorandum AND articles OF association, the Company should appoint Independent Directors during the trading of shares in the Taipei Exchange or the Taiwan Stock Exchange. The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies of Taiwan.</del></p>	<p>Officially stated that when the number of directors and independent directors has not met the articles of association, or the laws and regulations of the competent authority stipulate, the procedures to follow.</p>

Article	After revision	Before revision	Reason
	<u>Rules Governing the Review of Securities for Trading on the Taipei Exchange, 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.</u>		
6.	The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.	The cumulative voting method shall be used for election of the directors <del>and supervisors</del> at the Company. Each share will have voting rights in number equal to the directors <del>and supervisors</del> to be elected, and may be cast for a single candidate or split among multiple candidates.	In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.
8.	The number of directors will be as specified in this Corporation's 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. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.	The number of directors and <del>supervisors</del> will be as specified in this Corporation's 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. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.	In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.
12.	The voting rights shall be calculated on site immediately after the end	The voting rights shall be calculated on site immediately after the end of the poll, and	In accordance with the Financial Supervisory Commission of Taiwan

Article	After revision	Before revision	Reason
	<p>of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.</p> <p>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 one 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.</p>	<p>the results of the calculation, including the list of persons elected as directors <del>or</del> <del>supervisors</del> and the numbers of votes with which they were elected, shall be announced by the chair on the site.</p> <p>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 one 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.</p>	<p>JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>
13.	<p>The Board of Directors of the Company shall issue notifications to the persons elected as directors.</p>	<p>The Board of Directors of the Company shall issue notifications to the persons elected as directors <del>or</del> <del>supervisors</del>.</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>
14.	<p>These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.</p>	<p>These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.</p>	<p>No change in English</p>

**Keysheen (Cayman) Holdings Co., Limited**

Comparison table for the amendments of the rules and procedure of the shareholders' meeting

Article	After revision	Before revision	Reason
3.	<p>Except when otherwise specified in applicable laws, the Meeting is convened by the Board of Directors.</p> <p>At least thirty and fifteen days' notices in writing shall be given for any annual and extraordinary general meetings, respectively. The notice for a general meeting may be given by means of electronic communication if the Company obtains prior consent by the individual recipients. The Company shall prepare a general shareholders' meeting handbook and the relevant materials, which will be sent to or made available to all Shareholders and shall be published on the MOPS. At least twenty-one and fifteen days' notices shall be given for any annual or extraordinary general meetings, respectively. The Company shall prepare a general shareholders' meeting handbook and the relevant materials, which will be sent to or made available to all Shareholders and shall be published on the MOPS.</p> <p>Fifteen days prior to the shareholders' meeting, the general shareholders' meeting handbook and the relevant materials of the meeting shall be prepared for the shareholders' to read and be displayed on the company and the professional stock agency appointed by the company, and shall be distributed at the shareholders' meeting.</p> <p>The notice and announcement shall state the cause of the convening; the notice approved</p>	<p>the notice of the general meeting:</p> <p>Except when otherwise specified in applicable laws, the Meeting is convened by the Board of Directors.</p> <p>At least thirty and fifteen days' notices in writing shall be given for any annual and extraordinary general meetings, respectively. The notice for a general meeting may be given by means of electronic communication if the Company obtains prior consent by the individual recipients. The Company shall prepare a general shareholders' meeting handbook and the relevant materials, which will be sent to or made available to all Shareholders and shall be published on the MOPS. At least twenty-one and fifteen days' notices shall be given for any annual or extraordinary general meetings, respectively. The Company shall prepare a general shareholders' meeting handbook and the relevant materials, which will be sent to or made available to all Shareholders and shall be published on the MOPS.</p> <p>Fifteen days prior to the shareholders' meeting, the general shareholders' meeting handbook and the relevant materials of the meeting shall be prepared for the shareholders' to read and be displayed on the company and the professional stock agency appointed by the company, and shall be distributed at the</p>	<p>In accordance with the Taiwan Stock Exchange Corporation TaiChengZhiLi No. 1080024221 on January 2, 2020.</p>



Article	After revision	Before revision	Reason
	<p>by the counterparty may be performed by means of electronic transmission. The matters of election or discharge of directors, amendments to these Articles, dissolution, <u>capital reduction, application for suspension of public offering, approval for directors' competing business, capital increase by retained earning, capital increase by public reserve, merger or spin-off of the Company and the first paragraph of Article 185 of the Taiwan Company Act, shall be specified in the notice of the reasons for convening the shareholders meeting and <u>explain the main content</u>, and shall not be proposed as ad hoc motions. <u>Its main content may be placed on the website designated by the securities authority or the company, and its website shall be stated in the notice.</u> <u>The reasons for convening of the shareholders' meeting has stated the full re-election of directors and the date of appointment. After the re-election in the shareholders' meeting is completed, the same meeting shall not change its appointment date by temporary motion or other means.</u> A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a 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. <u>However, the shareholder proposal is a proposal to urge the company to promote public</u></u></p>	<p>shareholders' meeting. The notice and announcement shall state the cause of the convening; the notice approved by the counterparty may be performed by means of electronic transmission. The matters of election or discharge of directors, amendments to these Articles, dissolution, Merger or Spin-off of the Company, the first paragraph of Article 185 of the Taiwan Company Act, <del>Articles 26-1 &amp; 43-6 of the Securities and Exchange Act, the Articles 56-1 &amp; 60-2</del> of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be specified in the notice of a general meeting, and shall not be proposed as ad hoc motions. Shareholder(s) holding one percent or more of the total number of outstanding Shares immediately prior to the relevant book close period may propose in writing to the Company a proposal for discussion at a general meeting. After review by the board of directors, it will be formally included in the discussion. Provided that only one matter shall be allowed in each single proposal. Under any of the Item 4 of Article 172-1 of the Taiwan Company Act, the board of directors of the Company may exclude the proposal submitted by a shareholder from the list of proposals to be discussed at a regular meeting of shareholders. Prior to the date on which a share transfer registration is suspended before the convention of a regular</p>	

Article	After revision	Before revision	Reason
	<p><u>interest or fulfill its social responsibilities, and the Board of Directors must still include the proposal.</u> 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 date on which a share transfer registration is suspended before the convention of a regular shareholders' meeting, the company shall give a public notice announcing the place, <u>the hardcopy and electronic methods</u>, and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten days. The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words, and any proposal containing more than 300 words, <u>the proposal</u> shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal. The company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals</p>	<p>shareholders' meeting, the company shall give a public notice announcing the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten days. The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words, and any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal. The company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.</p>	

Article	After revision	Before revision	Reason
	<p>conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the Board of Directors at the shareholders' meeting to be convened.</p>		
6.	<p>Attendance Signing Booklet: The company shall specify the time of receipt of the shareholders, the place of registration, and other matters needing attention in the notice of the meeting. The time for the acceptance of the shareholders of the meeting shall be handled at least 30 minutes before the start of the meeting; the registration place shall be clearly marked and appropriate personnel shall be appointed to handle it. Shareholders or the power of attorney of a proxy (the shareholder) attending the Meeting shall have attendance card, sign-in card or other certificate of attendance issued by the Company. The company shall not arbitrarily add other supporting documents for the attendance of the meeting. The proxy Solicitor shall provide ID documents for verification. The company should set up a signature book for attending shareholders to sign in. Or shareholders attending the Meeting shall submit the attendance card for the purpose of signing in. The company shall prepare Agenda Handbooks, Annual report, attendance card and voting card for the meeting and the relevant materials, which</p>	<p>Attendance Signing Booklet: The company shall specify the time of receipt of the shareholders, the place of registration, and other matters needing attention in the notice of the meeting. The time for the acceptance of the shareholders of the meeting shall be handled at least 30 minutes before the start of the meeting; the registration place shall be clearly marked and appropriate personnel shall be appointed to handle it. Shareholders or the power of attorney of a proxy (the shareholder) attending the Meeting shall have attendance card, sign-in card or other certificate of attendance issued by the Company. The company shall not arbitrarily add other supporting documents for the attendance of the meeting. The proxy Solicitor shall provide ID documents for verification. The company should set up a signature book for attending shareholders to sign in. Or shareholders attending the Meeting shall submit the attendance card for the purpose of signing in. The company shall prepare Agenda Handbooks, Annual report, attendance card and</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>

Article	After revision	Before revision	Reason
	<p>will be sent to or made available to the attending Shareholders. Where voting powers on the election of directors at a shareholders' meeting are to be exercised, a printed ballot shall also be sent to the shareholders, as well. Any government or corporation which is a Shareholder of the Company it may designate more than one person as its representatives to attend the Meeting. A corporation to be a proxy, only one representative can attend the Meeting.</p>	<p>voting card for the meeting and the relevant materials, which will be sent to or made available to the attending Shareholders. Where voting powers on the election of directors and <del>supervisors</del> at a shareholders' meeting are to be exercised, a printed ballot shall also be sent to the shareholders, as well. Any government or corporation which is a Shareholder of the Company it may designate more than one person as its representatives to attend the Meeting. A corporation to be a proxy, only one representative can attend the Meeting.</p>	
7.	<p>Chairman and other Attendance: The Chairman of the Board of Directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. If, for any reason, the Chairman of the Board of Directors cannot preside at the Meeting, one of the Directors appointed by the Chairman shall preside at the Meeting. If the chairman of the Board of Directors does not appoint an agent, the directors shall select one person from among themselves to serve as Chairman. The chairman of the preceding paragraph is a director of the Board of Directors who has served for more than six months and is aware of the company's financial operations. If the chairman is a representative of a corporation director, the same is true. In case the Meeting is convened by the Board of</p>	<p>Chairman and other Attendance: The Chairman of the Board of Directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. If, for any reason, the Chairman of the Board of Directors cannot preside at the Meeting, one of the Directors appointed by the Chairman shall preside at the Meeting. If the chairman of the board of directors does not appoint an agent, the directors shall select one person from among themselves to serve as Chairman. The chairman of the preceding paragraph is a director of the board of directors who has served for more than six months and is aware of the company's financial operations. If the chairman is a representative of a corporation director, the same is true. In case the Meeting is</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>

Article	After revision	Before revision	Reason
	<p>Directors, the chairman should personally preside. If a general meeting is called by the Board of Directors, half or more of the Directors present at the scheduled time for the meeting would be appropriate. At least one representative of each functional committee is present, and the attendance is recorded in the shareholders' meeting minutes.</p> <p>If the Meeting is convened by any other person entitled to convene the Meeting, such person shall be the chairman to preside at the Meeting.</p> <p>However, if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.</p> <p>The Company may appoint designated counsel, CPA or other related persons to attend the Meeting.</p>	<p>convened by the Board of Directors, the chairman should personally preside. If a general meeting is called by the board of directors, half or more of the Directors <del>and at least one Supervisor</del> present at the scheduled time for the meeting would be appropriate. At least one representative of each functional committee is present, and the attendance is recorded in the shareholders' meeting minutes.</p> <p>If the Meeting is convened by any other person entitled to convene the Meeting, such person shall be the chairman to preside at the Meeting.</p> <p>However, if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.</p> <p>The Company may appoint designated counsel, CPA or other related persons to attend the Meeting.</p>	
10.	<p>Meeting Process: The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. <u>Relevant items (including temporary motions and amendments to the original item) should each be voted on a case-by-case basis.</u> Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.</p> <p>The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.</p> <p>Unless otherwise resolved at the Meeting, the chairman</p>	<p>Meeting Process: The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.</p> <p>The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.</p> <p>Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the</p>	<p>In accordance with the Taiwan Stock Exchange Corporation TaiChengZhiLi No. 1080024221 on January 2, 2020.</p>

Article	After revision	Before revision	Reason
	<p>cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved. The chairman violated the rules of procedure and announced adjournment. Other members of the Board of Directors should promptly assist the attending shareholders to set up procedures in accordance with the law, and vote for more than half of the shareholders' voting rights to elect one person to serve as chairman and continue the meeting. The proposed resolutions should have sufficient discussion and description, the chairman may announce to end the discussion of any resolution and go into voting <u>with adequate time</u> if the Chairman deems it appropriate.</p>	<p>agenda are resolved. The chairman violated the rules of procedure and announced adjournment. Other members of the board of directors should promptly assist the attending shareholders to set up procedures in accordance with the law, and vote for more than half of the shareholders' voting rights to elect one person to serve as chairman and continue the meeting. The proposed resolutions should have sufficient discussion and description, the chairman may announce to end the discussion of any resolution and go into voting if the Chairman deems it appropriate.</p>	
13.	<p>Vote Method: First paragraph spared. The votes of the shareholders' meeting <u>should be exercised by electrical transmission and may be exercised in writing</u> if the method for exercising the votes has been described in the notice of the general meeting. <u>Shareholders who exercise their voting rights in writing or electronically are deemed to attend the shareholders' meeting in person. However, the provisional motion of the shareholders meeting and the amendment of the original motion are regarded as abstentions, so the company should avoid proposing the motion and the amendment of the original motion. A shareholder intending to exercise voting rights by</u></p>	<p>Vote Method: Shareholders have one vote per share; however, they are not subject to restrictions or those who have no voting rights listed in the second paragraph of Article 179 of the Taiwan Company Act. The votes of the shareholders' meeting may be exercised in writing or by way of electronic transmission if the method for exercising the votes has been described in the notice of the general meeting. Except otherwise specified in Taiwan Company Act, the Articles of Association of the Company, or relevant laws, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the</p>	<p>In accordance with the Taiwan Stock Exchange Corporation TaiChengZhiLi No. 1080024221 on January 2, 2020.</p>

Article	After revision	Before revision	Reason
	<p><u>correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</u></p> <p><u>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail.</u></p> <p><u>When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</u></p> <p>Except otherwise specified in Taiwan Company Act, the Articles of Association of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. At the time of a vote, for each proposal, the chair or</p>	<p>Meeting. At the time of voting, the shareholders voted on a case-by-case basis and on the day after the shareholders' meeting was held, the results of the shareholders' consent, opposition and waiver were entered into the MOPS.</p> <p>The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s).</p> <p>At any general meeting a resolution put to the vote of the meeting shall be decided on a poll in the meeting place. The number or proportion of the votes in favor of, or against, that resolution should be announced at the meeting, and shall be recorded in the minutes of the meeting.</p> <p><del>In addition to the provisions of the Taiwan Company Act, the method of entrusting the attendance of the shareholders shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" issued by the competent authorities of Taiwan.</del></p>	

Article	After revision	Before revision	Reason
	<p><u>a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, and the</u> shareholders voted on a case-by-case basis and on the day after the shareholders' meeting was held, the results of the shareholders' consent, opposition and waiver were entered into the MOPS.</p> <p><u>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</u></p> <p>The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s).</p> <p>At any general meeting a resolution put to the vote of the meeting shall be decided on a poll in the meeting place. The number or proportion of the votes in favor of, or against, that resolution should be announced at the meeting, and shall be recorded in the minutes of the meeting.</p>		
14.	<p>Election matters: Where there is a proposal for election of directors in a general meeting shall be conducted in accordance with the Rules for election of Directors, and the results of the election should be announced</p>	<p>Election matters: Where there is a proposal for election of directors in a general meeting shall be conducted in accordance with the Rules for election of Directors <del>and Supervisor</del>, and the results of the election</p>	<p>In accordance with the Financial Supervisory Commission of Taiwan JinKuanChengFa No. 10703452331 on December 19th, 2018 to replace the Supervisors with Audit Committee.</p>



Article	After revision	Before revision	Reason
	<p>by the Chairman at the meeting, including a list of elected directors and their elected powers.</p> <p>The voting tickets shall be sealed up and signed by the person(s) checking the ballots, and retained for at least one year. If a litigation occurs according to Article 189 of the Company Act, the relevant audio or video recordings shall continue to be retained until the litigation is concluded.</p>	<p>should be announced by the Chairman at the meeting, including a list of elected directors <del>and supervisors</del> and their elected powers.</p> <p>The voting tickets shall be sealed up and signed by the person(s) checking the ballots, and retained for at least one year. If a litigation occurs according to Article 189 of the Company Act, the relevant audio or video recordings shall continue to be retained until the litigation is concluded.</p>	
15.	<p>Meeting minutes and signing matter:</p> <p>The first and second paragraph spared.</p> <p>The meeting minutes shall accurately record: the place, year, and time of the meeting; the name of the chairman; the voting method, discussion process and <u>the voting results (including the elected powers)</u> of all of the meeting. <u>When election of Directors is helped, each candidate's elected powers should be revealed.</u></p> <p>The meeting minutes shall be carefully kept as the Company's important file throughout the life of the Company.</p>	<p>Meeting minutes and signing matter:</p> <p>The resolutions of general meeting shall be recorded in the meeting minutes. Meeting minutes shall be signed or chopped by the chairman of the meeting and distributed to all shareholders within twenty days after the meeting.</p> <p>The distribution of Meeting minutes shall be published on the MOPS.</p> <p>The meeting minutes shall accurately record: the place, year, and time of the meeting; the name of the chairman; the voting method, discussion process and the result of all of the meeting. The meeting minutes shall be carefully kept as the Company's important file throughout the life of the Company.</p>	<p>In accordance with the Taiwan Stock Exchange Corporation TaiChengZhiLi No. 1080024221 on January 2, 2020.</p>

### Keysheen (Cayman) Holdings Co., Limited

#### Candidate List for Directors (including Independent Directors)

Category	Name	Academic background	Experience	Current position	Shareholding (shares) (Unit: share)
Director	Liu Chung-Hsin	National Chung Hsing University EMBA	Chairman of Keysheen (Cayman) Holdings Co., Limited Chairman of Keysheen Industry Co., Ltd.	Chairman of Keysheen (Cayman) Holdings Co., Limited Director of Yauchung Investment Corp. Supervisor of Keysheen Industry (Shanghai) Co., Ltd. Director of Courtyard Creations Inc. Director of Courtyard Creations International Limited Director of Lumar Industries Limited Chairman of Keysheen Industry Co., Ltd.	10,320,000
Director	Representative of Lauer & Sons Corp.: Chen Ming-Shan	Chinese Culture University, Department of Economics National Cheng-chi University Graduate School of Business Administration, Executive Program	General Manager of Kinik Company A business department	Director of Keysheen (Cayman) Holdings Co., Limited	11,520,000
Director	Liu Hsin-Tsu	Takushoku University, Department of Mechanical Systems Engineering	Chairman of Keysheen Industry (Shanghai) Co.	Director of Keysheen (Cayman) Holdings Co., Limited Chairman of Keysheen Industry (Shanghai) Co. Director of Courtyard Creations Inc. Chairman of Keysheen Vietnam Ltd. Director of Lauer & Sons Corp. Director of Creative Creations Inc.	9,362,400
Director	Lin Hong-Chi	Nova Southeastern University, PHD of Business Administration	President of Ya-dong United Accounting Firm	Supervisor of Kinik Company Co., Ltd. Supervisor of Hsin Tung Yang Co., Ltd. Director of Keysheen (Cayman) Holdings Co., Limited	240,000
Director	Lee Cheng-Ping	Fu Jen Catholic University, Bachelor of Business Administration Master of University of Sanfrancisco	Chairman of Danver Trading Co., Ltd.	Chairman of Danver Trading Co., Ltd. Chairman of Kun-Cheng Ltd. Chairman of Hwa Bin Enterprises Co., Ltd. Supervisor of Taiwan Tanabe Seiyaku Co., Ltd. Director of Tsai Hsing Development Co., Ltd. Director of Keysheen (Cayman) Holdings Co., Limited.	85,000

Category	Name	Academic background	Experience	Current position	Shareholding (shares) (Unit: share)
Director	Liu I-Hsiao	MBA of University of Houston	Director and General Manager of Keysheen (Cayman) Holdings Co., Limited	Director and General Manager of Keysheen (Cayman) Holdings Co., Limited Director of Keysheen Industry (Shanghai) Co., Ltd. Director of Courtyard Creations Inc. Director of Sinture Holding Ltd. Representative of Corporate Director of Creative Courtyards International Limited Director of Keysheen Vietnam Ltd.	9,478,609
Director	Liu Tsu-Kun	Duquesne University, Department of International Trade	Director and General Manager of Keysheen Industry (Shanghai) Co., Ltd.	Director of Keysheen (Cayman) Holdings Co., Limited Director of Keysheen Industry (Shanghai) Co., Ltd. Director of Courtyard Creations Inc. Director of Creative Courtyards International Limited Director of Keysheen Vietnam Ltd. Supervisor of Creative Creations Inc. Director of Lauer & Sons Corp.	5,308,560
Independent Director	Liu Kong-Hsin	National Taiwan Ocean College, Department of Shipping and Transportation Management	Vice President of Formosa Plastic Group General Management Office Director of Formosa Chemicals and Fibre Corporation Chairman of EnergyTrend Co., Limited	Representative of Corporate Director of United Renewable Energy Co., Ltd. President of Long Deed Corporation Director of Taiwan Specialty Chemical Corporation Independent Director of Keysheen (Cayman) Holdings Co., Limited	0
Independent Director	Lin Yu-Siang	Florida State University, Master of East Asia Studies	Legislator, Legislative Yuan Member of Kuomintang Central Policy Committee	Independent Director of Keysheen (Cayman) Holdings Co., Limited	0
Independent Director	Chien,Chih-Jen	National Chung Hsing University, Department of Accounting and Statistic	Vice manager of Formosa Plastic Group General Management Office Senior Consultant of Chien-Lung holding company Chairman of Jiangxi Sheng-Yang Technology	Member of Remuneration Committee of Keysheen (Cayman) Holdings Co., Limited	0

**THE COMPANIES LAW (AS AMENDED)**

**COMPANY LIMITED BY SHARES**

**AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION**

**OF**

**Keysheen (Cayman) Holdings Co., LIMITED**

**Amended by Special Resolution passed on June 12, 2019**

**THE COMPANIES LAW (AS AMENDED)**  
**COMPANY LIMITED BY SHARES**  
**AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION**  
**OF**  
**KEYSHEEN (CAYMAN) HOLDINGS CO., LIMITED**  
**(Amended by Special Resolution passed on**  
**June 12, 2019)**

1. The name of the Company is Keysheen (Cayman) Holdings Co., Limited (the "**Company**").
2. The registered office of the Company will be situated at the offices of McGrath Tonner Corporate Services Limited, Genesis Building, 5th Floor, Genesis Close, PO Box 446, 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 and the Company shall 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 shares respectively held by them.
7. The capital of the Company is 2,000,000,000 New Taiwan Dollars divided into 200,000,000 ordinary shares of a nominal or par value of 10 New Taiwan Dollars each provided always that subject to the Law and the Articles of Association the Company shall have power to redeem or repurchase 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 226 of the Law to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.

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**THE COMPANIES LAW (AS AMENDED)**

**COMPANY LIMITED BY SHARES**

**AMENDED AND RESTATED ARTICLES OF ASSOCIATION**

**OF**

**KEYSHEEN (CAYMAN) HOLDINGS CO., LIMITED**

(Amended by Special Resolution passed on

June 12, 2019)

**TABLE A**

The Regulations contained or incorporated in Table 'A' in the First Schedule of the Law shall not apply to Keysheen (Cayman) Holdings Co., Limited (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 company, any other company that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such first company;

**"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 the TSE or the GreTai Securities Market, the Emerging Market of the GreTai Securities Market, including, without limitation the relevant provisions of 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 GreTai Securities Market or the TSE;

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

**"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 Depositary (as

defined below);

“**Chairman**” has the meaning given thereto in Article 83;

"**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;

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

“**Depository**” means Taiwan Depository & Clearing Corporation;

"**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 of the vote of the Board;

"**Emerging Market**" means the emerging market board of GreTai Securities Market in Taiwan;

"**GreTai Securities Market**" means the GreTai Securities Market in Taiwan;

"**Indemnified Person**" has the meaning given thereto in Article 151;

"**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);

"**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 or more Constituent Companies and the vesting of their undertaking, property and liabilities in one of such company as the Surviving Company within the meaning of the Law;

"**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 which general meeting is attended by Shareholders representing more than an aggregate of one-half of all Shares issued by 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;

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

"**Realized Capital Reserve**" and "**Capital Reserve**" 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.;

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

"**Retained Earnings**" means, in respect of Article 34, all legal or special reserves of the earnings and the undistributed earnings, while excluding those has been resolved by the Board or the general meeting to be distributed to the Shareholders;

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

"**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**" means a Person who is registered as the holder of Shares in the Register and includes each subscriber to the Memorandum of Association pending the issue to such subscriber of the subscriber Share or Shares;

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

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

"**signed**" means bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic

communication and executed or adopted by a person with the intent to sign the electronic communication;

**“Special 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 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 is 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 to 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 is attended by Shareholders holding not less than half of all issued Shares of the Company;

**“Supervisors”** means a Supervisor as defined in these Articles and the Applicable Listing Rules;

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

**“TSE”** means the Taiwan Stock Exchange.

2. In these Articles, save where the context requires otherwise:
  - (a) words importing the singular number shall include the plural number and vice versa;
  - (b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;
  - (c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
  - (d) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;

(e) reference to any determination by the Directors shall be construed as a determination by the Directors in their absolute discretion and shall be applicable either generally or in any particular case; and

(f) reference to "in writing" shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing or partly one 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 amortized 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 Directors shall keep, or cause to be kept, the Register at such place as the 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 or more of the total number of the Directors and with the approval of a Special Resolution. Prior to the issuance of any preferred Shares approved pursuant to this Article 10, these Articles shall be amended to set forth the rights and obligations of the preferred Shares, including but not limited to the following terms, and the same shall apply to any variation of rights of preferred Shares:

- (a) order, fixed amount or fixed ratio of allocation of Dividends and bonus on preferred Shares;
- (b) order, fixed amount or fixed ratio of allocation of surplus assets of the Company;
- (c) order of or restriction on the voting right(s) (including declaring no voting rights whatsoever) of preferred Shareholders;
- (d) other matters concerning rights and obligations incidental to preferred Shares; and
- (e) 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. 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 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. For as long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, the Company shall not issue share certificates and upon each issuance of new Shares, the Company shall within 30 days from the completion date of issuance of such Shares cause its Shareholders' Service Agent to enter the name of the Shareholder in the Register and to effect the Book-Entry Transfer in the Shareholder's account with the Depository. The Company shall make a public announcement in accordance with the Applicable Listing Rules prior to the Book-Entry Transfer.
12. The Company shall not issue any unpaid Shares or partly paid-up Shares. The Company shall not issue shares in bearer form.
13. Upon each issuance of new Shares, the Directors may reserve a specified percentage of the new Shares for subscription by the employees of the Company who are determined by the Board in its reasonable discretion, and such employees may include the employees of the Company's subsidiary(ies) who meet certain qualification requirements.
14. For so long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, unless otherwise resolved by the Shareholders in general meeting by Ordinary Resolution, if at anytime the Board resolves to issue any new Share, the Company shall, after reserving the portion of Shares for subscription by its employees and for public offering in Taiwan pursuant to Article 13 and Article 16 respectively, first offer such remaining new Shares by a public announcement and advise, by a written notice to each then Shareholder, to subscribe for the new Shares with preemptive right, in proportion respectively to their original shareholding and shall state in the notice that if any Shareholder fails to subscribe for new Shares, his right shall be forfeited. 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 or more integral new Shares or for subscription of new Shares in the name of a single Shareholder. New shares left unsubscribed by such Shareholders may be open for public issuance or for subscription by specific person or persons through negotiation.

15. The Shareholders' pre-emptive right prescribed under Article 14 shall not apply in the event that new Shares are issued due to the following reasons or for the following purpose:
  - (a) in connection with a Merger with another company, or the Spin-off of the Company, or pursuant to any reorganization of the Company;
  - (b) in connection with meeting the Company's obligation under Share subscription warrants, options, other rights and/or Restricted Shares;
  - (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 or with a redemption of Shares by the Company.
16. Where the Company increases its capital by issuing new Shares in Taiwan, the Company shall allocate 10 percent of the total amount of the new Shares to be issued, for offering in Taiwan to the public unless it is not necessary or appropriate, according to the Applicable Listing Rules, for the Company to conduct the aforementioned public offering. Provided however, if a percentage higher than the aforementioned 10 percent is resolved by a general meeting to be offered, the percentage determined by such resolution shall prevail.
17. The Company may, upon resolution by a majority votes at a meeting of the Board of Directors attended by two-thirds or more of the Directors, adopt one or more employee incentive programmes pursuant to which shares, options, warrants, or other similar instruments to acquire Shares may be granted to employees of any Affiliated Company to subscribe for Shares. The shares, 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.
- 17-1 Subject to the Law and Applicable Listing Rules, the Company may issue restricted Shares (the "Restricted Shares") to the employees of the Company or its subsidiaries by Special Resolution. The issuance of Restricted Shares will not be subject to Articles 14 and 15. The terms of issuance of the Restricted Shares, including but not limited to the issuance amount, issuance prices, issuance conditions and other related matters shall be subject to the Applicable Listing Rules. If employees do not meet the vesting conditions, the Company may repurchase Restricted Shares issued to employees according to Article 33.

## MODIFICATION OF RIGHTS

18. Whenever the capital of the Company is divided into different Classes 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 by :
- (a) a Special Resolution; and
  - (b) with the sanction of a resolution passed at a separate meeting of the holders of the Shares of such Class by a majority of two-thirds of the votes cast at such a meeting.

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 or more Persons holding or representing by proxy more than one-half 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 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, the redemption or repurchase of Shares of any Class by the Company.

## CERTIFICATES

20. The Company shall not issue Share certificates to Shareholders in respect of any Shares and the Register shall be prima facie evidence of the entitlement of a person to Shares recorded against his name. Notwithstanding the foregoing, subject to the approval of the Board, Share certificates may be issued to a Shareholder upon request. Every Share certificate shall be issued under the Seal or a facsimile thereof and shall specify the name of the Shareholder, the number and class and distinguishing numbers (if any or if required by the Law) of the Shares to which it relates, and the amount paid up thereon and may otherwise be in such form as the Directors may from time to time determine. No certificate shall be issued representing Shares of more than one class nor will be issued in bearer form. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates (or certificates in respect of other securities) need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon or that such certificates need not be signed by any person.

## FRACTIONAL SHARES

21. Subject to these Articles, the Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions,

rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one 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. Subject to the Law, 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 years. To the extent permitted by the Law, transfers may be made by way of book entry by the local securities agent. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Register in respect thereof.
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 in any form as prescribed by the TSE during the period where the Shares of the Company are listed on the 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.
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 class of Shares; or
  - (c) the instrument of transfer is properly stamped, if required.

This Article shall not be applicable for as long as the Shares of the Company are listed on the TSE.

25. The registration of transfers may be suspended when the Register is closed in accordance with Article 40.
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 or more holders, the survivors or survivor, or the legal personal representatives of the deceased survivor, 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 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 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.

#### **ALTERATION OF SHARE CAPITAL**

30. The Company may from time to time by Ordinary Resolution:
- (a) increase the share capital by such sum, to be divided into Shares of such Classes and amount, as the resolution shall prescribe;
  - (b) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;
  - (c) convert all or any of its paid up Shares into stock and reconvert that stock into paid up Shares of any denomination;
  - (d) subdivide its existing Shares, or any of them into Shares of a smaller amount; and
  - (e) cancel any Shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled.
31. Subject to the Law, the Company may also by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by the Law.

#### **REDEMPTION OR REPURCHASE OF SHARES**

32. Subject to the Law, the Applicable Listing Rules and these Articles, the Company may issue Shares on terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the Shareholder on such terms and in such manner as the Company may by Special Resolution, before the issue of such Shares,



determine; provided that payment in respect of the redemption of its own Shares shall be made in a manner authorised by the applicable laws, including out of its profits or the proceeds of a fresh issue of Shares.

33. Subject to the Law, the Applicable Listing Rules and these Articles, and upon the approval of a majority of the Directors present at a Board meeting attended by two-thirds or more of Directors, the Company may repurchase its own Shares for maintaining the Company's credit and shareholders' equity and transferring Shares to the employees. The Shares so repurchased shall be transferred to the Company's employees, and such employees may include the employees of the Company's subsidiary(ies) who meet certain qualification requirements, within three years, and any repurchased shares which have not been transferred by then shall be deemed cancelled immediately. If employees do not meet the vesting conditions set forth in the issuance regulation, the Company may repurchase Restricted Shares issued to employees.
34. The number of Shares repurchased by the Company pursuant to the preceding Article 33 shall not exceed 10 percent of the total number of issued Shares of the Company. The total price of the Shares so repurchased shall not exceed the sum of Retained Earnings plus the amount of the Share Premium Account plus the amount of the Realized Capital Reserve.
35. The Directors or managerial officers of the Company, or their spouse, minor children, or any other persons who hold the Shares for the benefit of the Directors, officers, their spouses or minor children, shall not sell or otherwise transfer their Shares during the period when the Company is repurchasing its own Shares.
36. The resolution for the redemption or repurchase of the Shares by the Company and the implementation thereof shall be reported in the most recent general meeting no matter whether the Company redeems or repurchases the Shares so resolved.
37. Any of the Company's own Shares shall not be entitled to receive any payment of dividend or any distribution from the assets of the Company (including any asset distribution to the Shareholders as a result of liquidation of the Company), whether in the form of cash or otherwise.
38. The redemption or repurchase of any Share shall not be deemed to give rise to the redemption or repurchase of any other Share.
39. Subject to the Law and the Applicable Listing Rules, the Directors may when making payments in respect of redemption or repurchase of Shares, if authorised by the terms of issue of the Shares being redeemed or repurchased or with the agreement of the holder of such Shares, make such payment either in cash or in specie.

#### **CLOSING REGISTER OR FIXING RECORD DATE**

40. For the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at any meeting of Shareholders or any adjournment thereof, or those Shareholders that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Shareholder 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 GreTai Securities Market or TSE, the Register shall be

closed at least for a period of 60 days, 30 days and 5 days immediately before the date of each annual general meeting, each extraordinary general meeting and the record date for the distribution of dividends and bonus or other interests respectively. For the purpose of calculating the abovementioned periods, the period of notice shall commence from the day on which the meeting is to be held (inclusive) or from the record date for the distribution of dividends and bonus or other interests respectively (inclusive), as the case may be.

41. Apart from closing the Register, the Directors may fix in advance a date as the record date for any such determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of the Shareholders and for the purpose of determining those Shareholders that are entitled to receive payment of any dividend. In the event the Directors designate a record date in accordance with this Article 41, 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 GreTai Securities Market or TSE pursuant to the Applicable Listing Rules.

### **GENERAL MEETINGS**

42. All general meetings other than annual general meetings shall be called extraordinary general meetings.
43. 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 6 months after close of each fiscal year and shall specify the meeting as such in the notices calling it.
44. At these meetings the report of the Directors and Supervisors (if any) shall be presented. For so long as the Shares are registered in the Emerging Market or listed in the GreTai Securities Market or TSE, all general meetings shall be held at such time and place as may be determined by the Board in Taiwan. If the Directors resolve to hold a general meeting outside Taiwan, the Company shall apply for the approval of the GreTai Securities Market (or the TSE, if applicable) thereof within 2 days after the Board of Directors adopts such resolution or after the approval of relevant authorities for Shareholders to convene the general meeting. Where a general meeting is to be held outside Taiwan, the Company shall engage a Shareholders' Services Agent to handle the administration of Shareholder voting matters for such general meeting.
45. General meetings shall also be convened on the requisition in writing of any Shareholder or Shareholders entitled to attend and vote at general meetings of the Company holding at least 3 percent of the paid up voting share capital of the Company for a period of one year or a longer time deposited at the Office or the Shareholders' Service Agent specifying the objects of the meeting and requesting the Board to convene the general 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, the proposing Shareholder(s) may, after obtaining the approval of relevant authorities, convene an extraordinary general meeting at such time and place he thinks fit by sending out a notice of general meeting in accordance with these Articles. The Board will not be required to prepare the manual referred to in Article 48 where a general meeting is convened by Shareholder(s), and all reasonable expenses incurred by the requisition as a result of the failure of the Directors to convene the general meeting shall be reimbursed to them by the Company.

Any Shareholder holding a majority of the Company's total number of issued Shares for at least three consecutive months may convene an extraordinary general meeting. The calculation of the holding period and the number of shares held during this period shall be determined by reference to the Register closing date.

#### **NOTICE OF GENERAL MEETINGS**

46. At least 30 and 15 days' notices in writing shall be given for any annual and extraordinary general meetings, respectively. The notice period shall be exclusive of the day on which it is given and of the day of the meeting. Every notice 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.
47. The following matters shall be specified and described in the notice of a general meeting, and shall not be proposed as ad hoc motions. The main contents of the notice may be posted on the website designated by Taiwan securities authorities, with such website indicated in the notice:
- (a) election or discharge of Directors or Supervisors;
  - (b) amendments to these Articles;
  - (c) reduction of capital;
  - (d) application for de-registration as a public company;
  - (e) dissolution, Merger, share exchange or Spin-off of the Company;
  - (f) 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;
  - (g) the transfer of the whole or any material part of its business or assets; and
  - (h) taking over another's whole business or assets, which will have a material effect on the business operation of the Company;
  - (i) carrying out private placement of its securities;
  - (j) granting waiver to the Director's engaging in any business within the scope of business of the Company;
  - (k) distributing part or all of its dividends or bonus by way of issuance of new Shares; and
  - (l) distributing the Statutory Reserve or Capital Reserve derived from share premiums or endowments, by issuance of new Shares or cash, to the original Shareholders .

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.

48. For so long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, the Company shall prepare a manual for each general meeting. The manual shall be published on the website designated by the Commission and the GreTai Securities Market or TSE pursuant to the Applicable Listing Rules at least 21 days prior to the date of the relevant annual general meeting or 15 days prior to the date of the relevant extraordinary general meeting. Such manual shall also be distributed to the Shareholders attending the relevant general meeting in person, by proxy or by corporate representative(s) (where the Shareholder is a corporation) at such general meeting.

#### **PROCEEDINGS AT GENERAL MEETINGS**

49. 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 of all Shares in issue present in person or by proxy and entitled to vote shall be a quorum for all purposes.
50. Shareholder(s) holding one percent or more of the total number of issued Shares immediately prior to the relevant Register close period may propose in writing or by electronic submission to the Company a proposal for discussion at a general meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. The following procedures shall apply for making such proposals:
- (a) Prior to the date of the relevant Register close period, the Company shall, in accordance with the Applicable Listing Rules, provide a public notice announcing the place and the period for Shareholders to submit proposals to be discussed at the general meeting. The period for accepting such proposals shall be at least 10 days.
  - (b) The number of words of a proposal to be submitted by a Shareholder shall be limited to not more than 300 words, and any proposal containing more than 300 words shall not be included in the agenda of the general meeting. The Shareholder who has submitted a proposal shall attend, in person or by a proxy, the general meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.
  - (c) Under any of the following circumstances, the Directors of the Company may exclude the proposal submitted by a Shareholder from the list of proposals to be discussed at the general meeting:
    - i) Where the subject (the issue) of the said proposal cannot be settled or resolved by a resolution to be adopted at a general meeting;
    - ii) Where the number of Shares of the Company in the possession of the Shareholder making the said proposal is less than one percent of the total number of issued Shares date of the relevant Register close period; or
    - iii) Where the said proposal is submitted on a day beyond the deadline fixed and announced by the Company for accepting shareholders' proposals.

(d) Where the said proposal is a recommendation for the purpose of urging the Company to promote public interests or fulfill its corporate social responsibilities, the Directors may include such proposal in the list of proposals to be discussed at the general meeting.

(e) The Company shall, prior to preparing and delivering the notice of the general meeting, inform in writing all the Shareholders who have submitted proposals pursuant hereto about the proposal screening results, and shall list in the said notice the proposals conforming to the requirements as set out in this Article. With regard to the proposals submitted by Shareholders but not included in the agenda of the general meeting, the cause of exclusion of such proposals and explanation shall be made by the Directors at the general meeting to be convened.

51. 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 the Directors. 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 or more persons jointly having the convening right, the chairman of the meeting shall be elected from those persons.

52. If there is no such chairman, or if at any general meeting he is not present within 15 minutes after the time appointed for holding the meeting or is unwilling to act as chairman, any Director nominated by the Directors shall preside as chairman, failing which the Shareholders present shall choose any Person present to be chairman of that meeting.

53. The chairman may by Ordinary Resolution (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting, or adjourned meeting, is adjourned for more than 5 days, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

54. 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.

55. 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 may be passed by an Ordinary Resolution.

56. In the case of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote.

57. The Company shall by a Supermajority Resolution Type A or, in lieu thereof, if the total number of Shares represented at the general meeting is not sufficient to constitute a quorum for Supermajority Resolution Type A, a 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) subject to the Law, effect any Spin-off of the Company in accordance with the Applicable Listing Rules;
- (e) carry out private placement of its securities;
- (f) distribute part or all of its dividends or bonus by way of issuance of new Shares;
- (g) grant of waiver to a Director's engaging in any business within the scope of the Company's business;
- (h) issuance of Restricted Shares.
- (i) amend the Articles;
- (j) where the amendment to the Articles may adversely affect the rights of preferred Shareholders, such amendment shall be approved at a general meeting of preferred Shareholders.

57-1 Approval by Shareholders representing two-thirds or more of the total number of issued Share is needed to allow the Company to participate in such an event where the Company's listing on the TSE will be terminated pursuant to its dissolution from Merger, complete transfer of its business or assets, share exchange or Spin-off, and where the Surviving, transferee company or newly incorporated company from such an event is not listed in the GreTai Securities Market or TSE.

58. The Company shall, by a Special Resolution, effect

- (A) any Merger of the Company in accordance with the Applicable Listing Rules and the Law;
- (B) any change of the Company's name.

59. Subject to the Law, with regard to the dissolution procedures of the Company, the Company shall pass:

- (a) an Ordinary Resolution, 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 59(a) above.

60. (A) In the event any of the resolutions with respect to the paragraph (a), (b), or (c) of Article 57 is adopted by general meeting, any Shareholder who has notified the Company in writing of his objection to such proposal prior to such meeting and subsequently raised his objection at the meeting may in writing request the Company to repurchase all of his Shares at the then prevailing fair price within 20 days after the adoption of the resolution by the general meeting stating the kinds and number of Shares owned; provided, however,

that no Shareholder shall have the above-mentioned appraisal right if the general meeting resolves on the dissolution of the Company after the completion of transfer of business or assets pursuant to paragraph (b) of Article 57.

- (B) In the event any part of the Company's business is Spun Off or involved in any Merger with any other company pursuant to paragraph (d) of Article 57 or Article 58 (A) respectively, 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 in writing request the Company to repurchase all of his Shares at the then prevailing fair price within 20 days after the adoption of the resolution by the general meeting stating the kinds and number of Shares owned.
- (C) In the event the price of the Shares repurchase mentioned in Article 60(A) or Article 60(B) is negotiated between the Company and the selling Shareholder, the Company shall repurchase the Shares within 90 days after it reaches a repurchase agreement with the Shareholder. In the event the Company fails to reach a repurchase agreement with the Shareholder within 60 days after the resolution date, the Shareholder may, within 30 days after such 60-day period, file a petition to any competent court of Taiwan for a ruling on the appraisal price, and to the extent such ruling by the Taiwan court is capable of recognition and enforcement 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.

#### **VOTES OF SHAREHOLDERS**

61. Subject to 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 vote for each Share of which he or the Person represented by proxy is the holder.
62. No vote may be exercised with respect to any of the following Shares nor may the following Shares be counted in the quorum of Shareholders present at the general meeting nor be counted in determining the number of votes of the Shareholders present at the said meeting:
- (a) the Shares held by any subsidiary company of the Company, where the total number of voting shares or total shares equity held by the Company in such a subsidiary represents more than one-half of the total number of voting shares or the total shares equity of such a subsidiary; or
  - (b) the Shares held by another company, where the total number of the shares or total shares equity of that company held by the Company and its subsidiaries directly or indirectly represents more than one-half of the total number of voting shares or the total share equity of such a company.
63. 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.

64. 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, may vote by proxy.
65. 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 for consideration and approval at a general meeting shall abstain from voting in respect of all 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, and such Shares shall not be counted in the number of votes of Shareholders present at the meeting, but all such Shares shall be counted in the number of votes present at the general meeting when calculating the quorum. The aforementioned Shareholder shall also not vote on behalf of any other Shareholder.
66. The votes may be exercised in writing or by way of electronic transmission if such method for exercising the votes has been described in the notice of the general meeting; provided however that in the event the general meeting is to be held outside Taiwan, the Company shall specify in the notice of the general meeting that the votes may be exercised in writing or by way of electronic transmission. ■
67. A Shareholder who exercises his or her votes in writing or by way of electronic transmission as set forth in the preceding Article 66 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.
68. A Shareholder shall submit his or her vote by way of written ballot or electronic transmission pursuant to Article 66 to the Company no later than the second (2<sup>nd</sup>) day 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 67 by the first written ballot or transmission shall prevail unless it is expressly included in the subsequent vote by written ballot or electronic transmission that the original vote submitted by written ballot or electronic transmission be revoked.
69. 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 67. If a Shareholder who has submitted his or her vote in writing or by way of electronic transmission pursuant to Article 66 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 67 shall prevail. If a Shareholder has submitted his or her vote in writing or by way of electronic transmission pursuant to Article 66, 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 67 and the vote casted by that person subsequently appointed as his or her proxy shall prevail.

70. (A) The proceedings regarding general meetings and voting at general meetings which are not provided for in these Articles shall be governed by the Rules Governing the Conduct of the General Meetings of the Company and the Applicable Listing Rules, as adopted and amended by way of Ordinary Resolution from time to time, which shall be in compliance with the Law and the Applicable Listing Rules.

(B) In case the procedure for convening a general meeting of Shareholders or the method of adopting resolutions is in violation of the Law, Applicable Listing Rules or these Articles, a Shareholder may, within 30 days from the date of the resolution, submit a petition to the Taipei District Court of Taiwan as the court of jurisdiction and first instance or the courts of the Cayman Islands for an appropriate remedy. To the extent that the ruling on the petition of the Taipei District Court is capable of enforcement and recognition outside Taiwan, such ruling shall be binding and conclusive on the Company.

#### **PROXY SOLICITATION**

71. A Shareholder may appoint a proxy to attend a general meeting on his behalf by executing a proxy form prepared by the Company stating therein the scope of power authorized to the proxy. A Shareholder may only execute one proxy form and appoint one proxy for each general meeting, and shall serve such written proxy to the Company no later than 5 days prior to the meeting date. In case the Company receives two or more written proxies from one 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.

72. 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 proxy form 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 solicitor/recipient and proxy solicitation agent (if any). The proxy form shall be provided to the Shareholders together with the relevant written or electronic notice for the relevant general meeting, and such written or electronic notice and proxy materials shall be distributed to all Shareholders on the same day.

73. 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.

74. Except for trust enterprises or Shareholders' Service Agencies approved by Taiwan competent authorities or as otherwise specified under these Articles, when a person who acts as the proxy for two or more Shareholders, the number of votes represented by him shall not exceed 3 percent of the total number of votes of the Company and the portion of excessive votes represented by such proxy shall not be counted.

75. For so long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, all matters concerning proxies and/or the solicitation of proxies by a solicitor relating to the Shares of the Company shall comply with all Applicable Listing Rules, whether or not expressly provided for in these Articles.

#### **CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS**

76. 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. Any corporation which is a Shareholder may replace such representative from time to time.

#### **DIRECTORS**

77. (A) Unless otherwise determined by the Company in general meeting, prior to the shares of the Company are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, the number of Directors shall be no less than seven Directors, the exact number of Directors to be determined from time to time solely by an Ordinary Resolution of the general meeting. The Directors shall be elected or appointed in the first place by the subscribers to the Memorandum of Association or by a majority of them. A Director shall not be required to hold any Shares of the Company by way of qualification.
- (B) Where the Company's Shares are listed on the TSE, except as otherwise permitted under the relevant regulations governing public companies, the Board shall have at least 2 Independent Directors, which shall constitute no less than one-fifth of the Board of Directors. Subject to the relevant regulations governing public companies, at least one Independent Director shall have domicile in Taiwan. All Independent Directors shall possess expertise and specialized knowledge, shall maintain their independence in performing their duties as Independent Directors, and shall not in any way be directly or indirectly have a conflict of interest with the Company on any matter. All Independent Directors be fully satisfy the qualification requirements for Independent Directors under the Applicable Listing Rules and Taiwan's securities regulations, including but not limited to requirements or restrictions on expertise, shareholding, concurrent employment, and independence criteria.
- (C) Where the number of Independent Directors on the Board falls below the minimum number required by these Articles, the Company shall hold a by-election for Independent Directors at the next following general meeting. Where all of the Independent Directorships become vacant, within 60 days of the occurrence of such shortfall, an extraordinary general meeting of Shareholders to elect succeeding Independent Directors to fill the vacancies shall be held.
78. (A) The general meeting of the Shareholders may appoint any natural or legal Person to be a Director; provided however that more than half of the Directors shall not, as among them, have spousal relationship or familial relationship within the second degree of kinship.

(B) Where the Directors elected in the general meeting do not meet the condition set forth in Article 78(A), the election of the Director receiving the lowest number of votes among those not meeting the said condition shall be deemed null and void.

(C) When a person serving as Director is in violation of Article 78(A), that person shall be subject to ipso facto dismissal through the mutatis mutandis application of Article 78(B).

(D) When the number of Directors falls below 5 due to the dismissal of a Director for any reason, the Company shall hold a by-election for Directors at the next following general meeting.

(E) When the number of vacancies in the Board equals to one-third of the total number of Directors, the Board of Directors shall hold, within 60 days of the occurrence of such shortfall, an extraordinary general meeting of Shareholders to elect succeeding Directors to fill the vacancies.

79. At a general meeting for election of Directors, the number of votes exercisable in respect of one Share shall be the same as the number of Directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director so elected. The authorized representative of a Shareholder may be elected as a Director, and if there is a plural number of such authorized representatives, each of them may be so elected.
80. The Directors may adopt a candidate nomination mechanism and promulgate the relevant rules and procedures of such candidate nomination mechanism pursuant to the Applicable Listing Rules. The appointment of Directors, Independent Directors and Supervisors shall be done in accordance with the candidate nomination mechanism of the Applicable Listing Rules.
81. Subject to these Articles, the term for which a Director will hold office shall not exceed 3 years; thereafter he/she may be eligible for re-election. In case no election of new Directors is effected after expiration of the term of office of the existing Directors, the term of office of such Directors shall be extended until the time new Directors are elected and assume their office.
82. A Director may be discharged at any time by a Supermajority Resolution Type A or a Supermajority Resolution Type B. 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.
83. 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. The period for which the Chairman will hold office will also be determined by a majority of the Directors present at the Board meeting with a quorum of at least two-thirds of all of the Directors then in office. The Chairman shall preside as chairman at every meeting of the Board, and shall represent the Company in all external affairs. To the extent the Chairman is not present at a meeting of the Board of Directors within fifteen

minutes after the time appointed for holding the same, the attending Directors may choose one of their number to be the chairman of the meeting.

84. 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.
85. A Director shall not be required to hold any Shares in the Company by way of qualification.

#### **DIRECTORS' REMUNERATION AND EXPENSES**

86. The Directors shall be authorized and delegated the power to set remuneration for all Directors. Director's remuneration shall be in accordance with their involvement to the operation of the Company, their contribution to the Company, and Taiwan and international standards 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.
87. 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 (whether by way of salary, commission, participation in earnings or otherwise) 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.

#### **DIRECTOR PROXY**

88. Any Director may appoint another Director to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director at a meeting or meetings of the Directors which that Director is unable to attend personally; however, no Director may act as proxy for more than one Director. The instrument appointing the proxy 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 proxy is to be used, or first used, prior to the commencement of the meeting.

#### **POWERS AND DUTIES OF DIRECTORS AND OFFICERS**

89. 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. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.

90. The Directors may appoint a Chief Executive Officer, and such additional Persons (who may or may not be Directors) as the officers of the Company as the Directors may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Law and these Articles, and for such term and at such remuneration (whether by way of salary or commission or participation in earnings or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Any Person so appointed by the Directors may be removed by the Directors. The Directors may also appoint one or more of their number to the office of managing director upon like terms, but any such appointment shall ipso facto determine if any managing director ceases from any cause to be a Director, or if the Company by Ordinary Resolution resolves that his tenure of office be terminated.
91. 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.
92. 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 three next following Articles shall not limit the general powers conferred by this Article.
93. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any Persons to be members of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any such Persons.
94. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any Person so appointed and may annul or vary any such delegation, but no Person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
95. 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.

#### **BORROWING POWERS OF DIRECTORS**

96. Subject to these Articles and 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**

97. 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 affixing of the Seal. The Seal shall be affixed in the presence of a Director 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.
98. 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 affixing of such facsimile Seal.

## **DISQUALIFICATION OF DIRECTORS**

99. A Person shall not be qualified to hold office as a Director if any of the situations set forth in (a) through (g) below applies to such Person:
- (a) committed an offence under the Organized Crime Prevention Act and has been adjudicated guilty by a final judgment, and has not started serving the sentence, has not completed serving the sentence, or the time elapsed since completion of serving the sentence, expiration of the probation, or pardon is less than 5 years;
  - (b) has been finally sentenced to imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and has not started serving the sentence, has not completed the sentence, or the time elapsed since completion of serving the sentence, expiration of the probation, or pardon is less than 2 years;
  - (c) has been adjudicated guilty by a final judgment for an offence under the Anti-Corruption Act, and has not started serving the sentence, has not completed the sentence, or the time elapsed since completion of serving the sentence, expiration of the probation, or pardon is less than 2 years;
  - (d) is declared bankrupt or adjudicated of the commencement of liquidation process by a court, and having not been reinstated to his rights and privileges ;
  - (e) has been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet;
  - (f) losses all or part of legal capacity or dies; or
  - (g) is adjudicated of the commencement of assistantship and such assistantship having not been revoked yet.
- A Director shall be removed from office if any of the following applies to such Director:
- (h) is removed from office pursuant to these Articles;

- (i) resigns his office by notice in writing to the Company;
  - (j) such Director (excluding Independent Director) holds Shares in the Company at the time of election and transfers, during his tenure, more than one half of the Shares held by him at the time of election, such Director shall be automatically discharged; or
  - (k) such Director (excluding Independent Director) holds Shares in the Company at the time of election, and after he is elected, transfers more than one half of the Shares held by him at the time of election before assuming office, or transfers more than one half of the total number of Shares held by him during the period prior to the general meeting in which share transfer registration is suspended, the election of such Director shall become invalid.
100. Subject to the Law and Cayman Islands laws, if a Director commits, in the course of performing his duties, any act resulting in material damage to the Company or in serious violation of applicable laws and/or regulations or these Articles, but has not been removed by the Company pursuant to a Supermajority Resolution Type A or Special Resolution, then any Shareholder(s) holding 3 percent or more of the total number of issued Shares shall have the right, within 30 days after that general meeting, to submit a petition to the Taipei District Court as the court of jurisdiction in the first instance, or the courts of the Cayman Islands, for the removal of such Director. To the extent that the ruling on the petition of the Taipei District Court is capable of enforcement and recognition outside Taiwan, such ruling shall be binding and conclusive on the Company.

#### **PROCEEDINGS OF DIRECTORS**

101. The Directors may, upon provision of 7 days' notice (exclusive of the day on which it is given and the day of the meeting) in writing to each Supervisor and Director specifying the place, the day and the hour of meeting and the nature of business to be transacted at the meeting, 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. Board meetings shall be held within such period and with such frequency as may be prescribed by the Applicable Listing Rules. In the case of emergency (as defined in Taiwan Company Act), the meeting of Directors may be convened at any time. The notice for meeting of Directors may be given by means of electronic communication. A Director may, and on the requisition of a Director shall, at any time summon a meeting of the Directors. The proceedings of a meeting of Board which are not provided for in these Articles shall be governed by the internal rules of the Company.
102. Directors may participate in any meeting of the Board by means of such visual communication facilities as permit all persons participating in the meeting to see and communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.
103. The quorum necessary for the transaction of the business of the Directors shall be more than one-half of the Directors. A Director represented by proxy or by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present. Except as otherwise required under

Article 104, 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.

104. 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 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) issuance of corporate bonds; and
  - (f) issuance of Shares as provided in Article 10.
105. A Director who is in any way, whether directly or indirectly, personally interested in a matter to be discussed at a Board Meeting, which personal interest may impair the interests of the Company, shall declare the nature of his personal interest to the Board.
- Where the spouse, a blood relative within the second degree of kinship of a Director, or any company which has a controlling or subordinate relation with a Director is interested in a matter under discussion in the meeting of the preceding paragraph, such Director shall be deemed to have a personal interest in the matter.
- In the event that a Director is personally interested in a matter to be discussed at a Board meeting, and which personal interest may impair the interests of the Company, such Director shall refrain from participating in the vote or exercising voting right on such matter on behalf of another Director in said Board meeting. The voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the Board meeting (but shall still be counted in the quorum for such meeting).
106. A Director 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 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 year from such behaviour.
107. A Director may hold any other office or place of profit (other than the office of Supervisor) under the Company 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.

108. Subject to these Articles, any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
109. The following matters proposed to be transacted by the Company shall be submitted to the Board of Directors for approval by resolution unless approval has been obtained from the competent authority in Taiwan. No resolutions put to the vote of a Board of Directors shall be passed by written resolution of Directors without a meeting. When an Independent Director has a dissenting opinion or qualified opinion on the following matters, the dissenting or qualified opinion of the Independent Director shall be noted in the minutes of the meeting of Directors:
- (a) Adoption or amendment of the Company's internal control system;
  - (b) Adoption or amendment of handling procedures for financial or operational actions of material significance to the Company, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others;
  - (c) Any matter bearing on the personal interest of a Director or Supervisor;
  - (d) Material asset or derivatives transactions;
  - (e) Material monetary loan, endorsement, or provision of guarantee;
  - (f) The offering, issuance, or private placement of any equity-type securities;
  - (g) The hiring or dismissal of an attesting certified public accountant, or the compensation given thereto;
  - (h) The appointment or discharge of a financial, accounting, or internal auditing officer;
  - (i) Any other material matter so required by the competent authorities.
110. 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 notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings. 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, including the objections and comments made by Independent Directors and the reports and opinions of Supervisors.

111. 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.
112. Subject to 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 of their number to be chairman of the meeting.
113. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to 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.
114. 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.

### **SUPERVISORS**

115. Unless otherwise determined by the Company in general meeting, the general meeting shall appoint any natural person or corporation to be a Supervisor. Prior to the shares of the Company being listed on the TSE or the GreTai Securities Market, the number of Supervisors shall be no less than 3 Supervisors of whom at least one shall have domicile in Taiwan, the exact number and qualifications of Supervisors to be determined from time to time solely by an Ordinary Resolution of the general meeting always in accordance with the applicable laws, rules or regulations or the Applicable Listing Rules.
116. Every Supervisor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the Supervisors.
117. Supervisors shall audit the various financial statements and records prepared by the Directors for submission to the annual general meeting, and shall make a report of their findings and opinions at such meeting. In performing their functional duties under this Article, the Supervisors may appoint the independent auditors to conduct the auditing in their behalf. Supervisors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment, and at any time during their term of office, upon request of the Directors or any general meeting of the Shareholders.

118. A Supervisor shall not be concurrently a Director, an officer or other staff or employee of the Company or its Affiliated Companies.
119. Supervisors shall supervise the execution of business operations of the Company, and may at any time or from time to time investigate the business and financial conditions of the Company, examine, transcribe or make copies of the accounting books and documents, and request the Directors or officers to make reports thereon. In performing their functional duties under this Article, the Supervisors may appoint, on behalf of the Company, a practicing lawyer and the independent auditors to conduct the examination.
120. When Directors discover the possibility that the Company will suffer substantial damage, the Directors shall report to the Supervisor immediately.
121. Supervisors may attend the meeting of the Directors and express their opinions therein. At the request of the Supervisors, the opinions of the Supervisors shall be recorded in the minutes of the meeting of the Directors. In case the Directors or any Director commits any act, in carrying out the business operations of the Company, in a manner in violation of the Law, the Applicable Listing Rules, these Articles or the resolutions of the annual general meeting or extraordinary general meeting, the Supervisors shall forthwith advise, by a notice, to the Directors or the Director, as the case may be, to cease such act.
122. (A) Subject to the Law and Cayman Islands laws, Shareholder(s) who has/have been continuously holding 1 percent or more of the total number of the issued Shares of the Company for over 6 months may request in writing the Supervisors of the Company to institute, for and on behalf of the Company, an action against a Director of the Company; such action may be instituted in the Taipei District Court as the court of jurisdiction in the first instance.
- (B) In case the Supervisors fail to institute an action within 30 days after having received the request made under the preceding paragraph, then the Shareholders filing such request under the preceding paragraph may institute the action for and on behalf of the Company; such action may be instituted in the Taipei District Court as the court of jurisdiction in the first instance.
- (C) In addition to the circumstance where the Board fails to or is unable to convene a general meeting, the Supervisors may, for the benefit of the Company, convene a general meeting whenever necessary.
123. Supervisors may each exercise their supervision power hereunder individually.
124. In case a Director transacts a sales with, or borrows money from or conducts any legal act with the Company on his own account or for any other person, Supervisors shall act as the representative of the Company.
125. Subject to the Law and the Applicable Listing Rules, Supervisors shall be bound by the same standards of fiduciary duties as required of the Directors by the Law.

126. In the event all Supervisors of the Company are discharged, the Board of Directors shall, within 30 days thereof, convene an extraordinary general meeting to elect new Supervisors. After the Shares of the Company are listed, however, the extraordinary general meeting for the above purpose shall be convened within 60 days thereof.
127. Articles 79, 80, 81, 82, 86, and 99 shall apply *mutatis mutantis* to Supervisors.

### **DIVIDENDS**

128. Subject to the Law and these Articles, the Company in general meeting may from time to time by resolution to pay dividends in any currency to the Shareholders but no dividend or bonus shall be paid in excess of the amount provided by the resolution passed by the Board. For so long as the Shares are registered in the Emerging Market or listed on the GreTai Securities Market or TSE, dividend or bonuses may only be declared in NTD.
129. (A) The Company shall not pay dividends, unless its losses (including losses of previous years) have been offset.
- (B) The Company shall not pay dividends when there are no Surplus Earnings (as defined below) unless paid in accordance with Article 134(A).
- (C) Where the Company has profits (indicating the net profits of the pre-tax income deducting the employees' remuneration and directors and supervisors' compensation), the allocated percentage is set in the following order:
- (a) No less than zero point one percent (0.10%) for remuneration to employees. When the employee remuneration may be paid in the form of new shares issued by the Company or cash, the employees of subsidiaries of the company meeting certain specific requirements are entitled to receive shares or cash.
- (b) No more than three point five percent (3.5%) for compensation of Directors and Supervisors; it shall be distributed by cash only.
- If the Company has accumulated losses (including adjustment to unappropriated Surplus Earnings), the recovered amount shall be reserved in advance.
- Above items (a) and (b) shall be resolved by the Board of Directors, and reported to the shareholder meeting.
- (D) Where the Company has current net income after tax at the end of the fiscal year, after off-setting accumulated losses, and allocating a certain percentage of Special Reserve according to relevant rules and regulations governing public companies or the Applicable Listing Rules of regulatory authorities, the balance left ("Surplus Earnings") may be declared and distributed in the form of new Share issuance by a Special Resolution of an annual general meeting, and may be declared and distributed in cash by a special resolution of the Board.
- (E) The remainder, deducted by an amount the Board recommends not to distribute, may be allocated to the Shareholders as bonus shares or dividends.

(F) Unless otherwise resolved by a meeting of the Board of Directors or a general meeting, in consideration of financial, business, and operation factors, any remaining profit not less than 20% of the given year's Surplus Earning after tax may be allocated by way of dividends and bonus according to the Companies Law of the Cayman Islands and relevant laws and regulations governing public companies.

(G) The Shareholders dividends and bonus will be distributed in stock dividend and/or cash dividend, among which stock dividend will consist 0~50% and cash dividend will consist 50~100% of the total dividends paid.

130. (A) [deleted]

(B) The Company may, by Ordinary Resolution, set aside from its Surplus Earnings an additional amount as a special reserve ("Special Reserve").

(C) The Board shall establish an account to be called the 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 in the Company. There shall be debited to any Share Premium Account on the redemption or repurchase of a Share the difference between the nominal value of such Share and the redemption or repurchase price provided always that at the discretion of the Directors such sum may be paid out of profits of the Company or, if permitted by the Law, out of Capital.

(D) [deleted]

131. Any resolution declaring a dividend, bonus shares or other distribution on shares of any class may specify that the same shall be payable or distributable to the persons registered as holders of such shares at the close of business on a particular date.

132. (A) The Company may by, Supermajority Resolution Type A or, in lieu thereof, if the total number of Shares represented at the general meeting is not sufficient to constitute a quorum for Supermajority Resolution Type A, a Supermajority Resolution Type B, determine that the whole or a part of the Surplus Earnings distributable as dividends and/or bonuses be distributed in the form of new shares to be issued by the Company for such purpose. Any fraction of such newly issued shares shall be paid in cash.

(B) In the event that the Company distributes dividends and/or bonuses, in whole or in part, in the form of cash, such distribution shall require the approval of the majority of the Directors present in a Board meeting attended by two-thirds or more of the Directors.

133. Any dividend, interest or other sum payable in cash to the holder of shares may be paid by electronic transfer (with the consent of the Shareholder and subject to the provision by the Shareholder of a bank account in Taiwan in that Shareholder's name) or by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order

of the holder whose name stands first on the Register in respect of such shares. Electronic transfers and the posting of cheques or warrants will be at the risk of the Shareholders. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

134. (A) Where the Company incurs no loss, it may, subject to the Law, by Supermajority Resolution Type A or, in lieu thereof, if the total number of Shares represented at the general meeting is not sufficient to constitute a quorum for Supermajority Resolution Type A, a Supermajority Resolution Type B, (a) capitalize its Statutory Reserve and following categories of Capital Reserve - Share Premium Account and/or income from endowments received by the Company - in whole or in part, by issuing new, fully paid bonus shares to its Shareholders, or (b) make distributions out of the Statutory Reserve and the Share Premium Account to its Shareholders in cash..
- (B) Subject to the Law, in the case where the Company issues new Shares to the existing Shareholders by capitalization of its Reserves or due to an increase in the value of its assets upon revaluation, Article 13 shall not apply.

#### **ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION**

135. 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.
136. 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.
137. At the close of each financial year, the Board of Directors shall prepare and submit the business report, financial statements, and the surplus earning distribution or loss off-setting proposals prepared by it for the annual general meeting of Shareholders for its ratification. After the annual general meeting, the Board of Directors shall distribute to each Shareholder the copies of ratified financial statements and the resolutions on the earning distribution and/or loss offsetting. The abovementioned statements and resolutions may be distributed by way of a public announcement.
138. The statements and records of accounts prepared by the Directors in accordance with the previous Article and any reports of the Supervisors on the Company's accounts or business shall be made available at the Office and at the office of the Shareholders' Service Agent in Taiwan for inspection at any time by the Shareholders commencing at least 10 days prior to the annual general meeting, to which the Shareholders may bring their lawyers or certified public accountants to consummate such an inspection.
139. 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.
140. 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.

141. 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.
142. The Board of Directors shall keep at the Office and at the office of its Shareholders' Service Agent in Taiwan copies of the Memorandum and Articles, the minutes of every meeting of the Shareholders and the financial statements, the Register and the counterfoil of corporate bonds issued by the Company. Any Shareholder of the Company may request, by submitting evidentiary document(s) to show his/her interests involved and indicating the scope of interested matters, an access to inspect, transcribe, or make copies of any such accounting books and records, and the Company shall instruct the Shareholders' Service Agent to provide the same.
- 142-1 The Board or other person authorized to convene a general meeting may, in the event of convening a general meeting, require the Company or the Shareholders' Service Agent to provide the Register.
143. 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 Shareholders of the Company to communicate to the public.
144. The Board shall be entitled to release or disclose to any regulatory or judicial authority any information in its possession, custody or control regarding the Company or its affairs to any of its Shareholder including, without limitation, information contained in the Register and transfer books of the Company.

#### **TENDER OFFER**

145. Within seven 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, Supervisors and the Shareholders holding more than 10 percent of the issued Shares in its own name or in the name of other persons.
  - (b) Recommendations to the Shareholders on the tender offer, which shall set forth the names of the Directors who abstain or object to the tender offer and the reason(s) therefor.
  - (c) Whether there is any material change in the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any.
  - (d) The types, numbers and amount of the Shares of the tender offeror or its affiliates held by the Directors, Supervisors and the Shareholders holding more than 10 percent of the issued Shares held in its own name or in the name of other persons.

## NOTICES

146. Except as otherwise provided in these Articles, 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.
147. 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.
148. Any notice or other document, if served by:
- (a) post or courier, shall be deemed to have been served five 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 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.

149. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with the terms of 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.



150. 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.

#### **INDEMNITY OR INSURANCE**

151. Every Director (including for the purposes of this Article any alternate Director appointed pursuant to the provisions of these Articles), Supervisor, and other officer for the time being and from time to time of the Company (each an "**Indemnified Person**") shall 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. No Indemnified Person shall be liable to the Company unless such liability arises through such Indemnified Person's own dishonesty, wilful default or fraud.
152. For the benefit of every Director, Supervisor, and other officer for the time being and from time to time of the Company, the Company may purchase liability insurance for them (the "Director and Officer Insurance"); provided that the liability is limited to the performance of his duties pursuant to the Articles, Law and the Applicable Listing Rules.

#### **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.

#### **AMENDMENT OF ARTICLES OF ASSOCIATION**

157. Subject to the Law and the Articles, the Company's meeting of the Shareholders may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

#### **REGISTRATION BY WAY OF CONTINUATION**

158. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

# **Keysheen (Cayman) Holdings Co., Limited**

## **The procedures for acquisition or disposal assets**

## Chapter 1 General Principles

### 1. Legal basis

It is proposed that the procedures for acquisition or disposal assets be set up in accordance with Article 36, paragraph 1 of the Securities and Exchange Act and “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” by FSC.

### 2. The applicable scope of the assets referred to in the procedure is as follows:

2.1. Stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities, etc.

2.2. Real estate (including land, housing and construction, investment real estate) and equipment.

2.3. Membership.

2.4. Patent, copyright, trademark, charter right, any intangible assets, etc.

2.5. Right-of-use assets.

2.6. Obligations of financial institutions (including receivables, discounted bills and loans, collections)

2.7. Derivatives products.

2.8. Assets that are acquired or disposed through merger, spin-off, acquisition or share transfer.

2.9. Other major assets.

### 3. The following defined terms will have the meanings ascribed to them:

3.1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

3.2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through the issuance of new shares of its own as the consideration therefor (hereinafter referred to as the "transfer of shares") under Article 156-3 of the Company Act.

3.3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

3.4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.

- 3.5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of board of directors' resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- 3.6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
- 3.7. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
- 3.8. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
- 3.9. Over-the-counter venue (hereinafter referred to as "OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.
4. The means of price determination and supporting reference materials are as follows:
  - 4.1. Acquisition or disposal of securities trading on securities exchanges or OTC markets, depending on the transaction amount at the time.
  - 4.2. Acquisition or disposal of securities not trading on securities exchanges or OTC markets, should consider its net asset value per share, profitability, future development potential, and reference to the transaction price at that time.
  - 4.3. Acquisition or disposal of fixed-income instrument not trading on securities exchanges or OTC markets, should consider current market interest rates, bond coupon rates, and credibility of debtors.
  - 4.4. Acquisition or disposal of real property, should be referenced to analyze the report of the publicly announced current value, assessed value, the neighboring actual transaction price

and real estate appraisal.

- 4.5. Acquisition or disposal of the equipment should choose among price competition, price negotiation, tendering procedures.
- 4.6. Acquisition or disposal of disposes of memberships or intangible assets, should be referenced to the experts' evaluation report or fair market value in negotiating transaction terms and prices.
- 4.7. Acquisition or disposal of financial derivative shall be approved by the authorized unit in accordance with Article 24. Assets that are acquired or disposed of through merger, spin-off, acquisition or share transfer, shall be processed in accordance with Article 34.

## **Chapter 2 Procedures**

### **Section 1. Acquisition or disposal of assets**

5. When the Company intends to acquire or dispose of assets and the transaction amount reaches 20 percent or more of paid-in capital, or NT\$300 million or more, the company may not proceed to enter into a transaction contract until it has been approved by the board of directors. The transaction amount has not reached 20 percent of paid-in capital or less than NT\$300 million, the Board can authorize the Chairman to handle the matter and report to the Board for recognition on an after-the-event basis.

With respect to the Company's acquisition or disposal of assets that is subject to the approval of the board of directors under the Company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each supervisor. Where the position of independent director has been created in accordance with the provisions of the Act, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

6. Deleted

7. The transaction process of securities, real properties, memberships and intangible assets is subject to the investment cycle operation procedure of internal control of the Company.

The transaction process of equipment is subject to the property, plant and equipment cycle operation procedure of internal control of the Company.

Other major assets are subject to the related operating procedure of internal control of the Company.

8. In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to

build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

8.1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.

8.2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.

8.3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

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

8.3.2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

8.4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date. Provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

9. Where the Company acquires or disposes of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price. And if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.

10. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

10.1. The calculation of the transaction amounts referred to in the Articles 8, 9 & 10 shall be done in accordance with Article 45, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

11. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

12. Professional appraisers and their officers, certified public accountants, attorneys and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

12.1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of the Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.

12.2. May not be a related party or de facto related party of any party to the transaction.

12.3. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:

I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.



- II. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
- III. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
- IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

## **Section 2. Related-Party Transactions**

13. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 10.1 herein.

When judging whether or not a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

14. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:
- 14.1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
  - 14.2. The reason for choosing the related party as a transaction counterparty.
  - 14.3. With respect to the acquisition of real property or right-of-use assets thereof from a related

party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 15 and Article 16.

- 14.4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
- 14.5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- 14.6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- 14.7. Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 45, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 5 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

- I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
- II. Acquisition or disposal of real property right-of-use assets held for business use.

15. The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:

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

institution is a related party of one of the transaction counterparties.

15.3. Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the paragraph 1 & 2.

15.4. The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding three paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.

15.5. Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 14, and the preceding four paragraphs do not apply:

15.5.1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.

15.5.2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.

15.5.3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.

15.5.4. The real property right-of-use assets for business use are acquired by the Company with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

16. When the results of the Company's appraisal conducted in accordance with Article 15 are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 17. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

16.1 Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:

16.1.1. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance,

whichever is lower.

16.1.2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.

16.2 Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

17. Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the preceding two articles are uniformly lower than the transaction price, the following steps shall be taken:

17.1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property or right-of-use assets thereof transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.

17.2. Supervisors shall comply with Article 218 of the Company Act.

17.3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

17.4. The Company that has set aside a special reserve under the paragraph 1 may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has

been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the the Financial Supervisory Commission of Taiwan has given its consent.

- 17.5. When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding four paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.

### **Section 3. Engaging in derivatives trading**

18. The Company's choice of trading methods for derivatives is based on the principle of reasonableness and legality. Derivatives that can be engaged include: Forward, Future, Option, interest or exchange rate Swap and various combinations thereof.

Matters relating to bond margin trading shall be handled in accordance with the relevant provisions of this procedure. The provisions of this process are not applicable to bond transactions that are subject to a buyback condition.

19. The purpose of engaging in derivatives trading should be to avoid risks. The choice of trading commodities should be based on avoiding the business operations risk of the company. The currency position held must match the foreign currency demand of the company's actual import and export transactions. Based on the overall position of the company, it can reduce the overall foreign exchange risk and save operating costs.

Other specific transactions are subject to careful assessment then proceed after obtaining the approval of the board of directors.

20. Delegation of engaging in derivatives trading is as follows:

#### 20.1. Financials:

20.1.1. The financial unit is responsible for the formulation and coordination of the overall foreign exchange operation strategy and the determination of foreign exchange positions based on sales, import and export volume, and determination of the foreign exchange position, and limit for each quarter to reduce the risk level.

20.1.2. Financial units should regularly collect relevant information, judge trends, assess risks, and complied with related regulations, consider foreign exchange positions, provide operational strategy recommendations, as a basis for risk avoidance and to comply with delegation, conduct hedging transactions.

20.1.3. Execute transactions and their confirmation, verification, and filing based on delegation and established strategy.

#### 20.2. Accounting:

The accounting process of derivative related transactions, and regularly evaluate the position to report to the senior executives authorized by the board of directors, and

regularly announce or report the company's information or profit and loss of derivative products according to relevant regulations.

21. The amount of derivative transactions for the hedging purpose shall not exceed the actual demand for net foreign exchange positions. If the actual demand is exceeded, need the board of directors' approval.

22. Deleted

23. The total contract amount of the company engaged in derivative transactions is limited to the total amount of foreign currency assets and liabilities of the company.

For derivative transactions with hedging purpose, the total or individual contractual loss limit shall not exceed 20% of the total or individual contract amount.

The total amount of the specific derivative loss of the specific use and the individual contract loss shall not exceed 10% of the total contract amount, and the individual contract loss limit shall not exceed 15% of the individual contract amount.

When the amount of the loss reaches the upper limit, the relevant operation should be carried out immediately.

24. Limit and hierarchy of delegation are defined as follows:

24.1. According to the growth of the company's sales and change of risk position, the delegation is based on the company's level of authority.

24.2. When the accumulated undelivered position exceeds the delegation of the chairman, it shall be approved by the board of directors. When the delegation of the chairman has exceeded, if the board of directors cannot be convened in time, the list of approvals should be added and at least another director should endorse.

24.3. The derivative transaction shall be performed by financial personnel. If other personnel shall perform the task, should be approved by the board of directors.

24.4. In order to enable relative management measures with the bank, it should give notice immediately in writing any changes in trader and transaction confirmation personnel.

25. Execution unit and transaction procedures are as follows:

25.1. Execution: Trading by the financial unit trader in accordance with the authorized quota with the bank. Each transaction shall fill a transaction order, signed by the supervisor and sent to the accountant for recording.

25.2. Data entry: The accounting unit shall proceed data entry according to the transaction order prepared by the trading unit.

25.3. Authorizing relevant personnel to handle derivative transactions in accordance with the relevant provisions on derivative transactions of "procedures for acquisition or disposal assets" and shall be reported to the most recent board of directors afterwards.

26. The Company engaging in derivatives trading shall establish a log book in which details of the

types and amounts of derivatives trading engaged in, board of directors' approval dates, and the matters required to be carefully evaluated under Articles 31 and 32, of the preceding article shall be recorded in detail in the log book.

27. The company engaging in derivatives trading shall keep related contracts, board of directors approval minutes, log book in the office for at least five years, unless otherwise provided by law.

28. The company engaging in derivatives trading shall adopt the following risk management measures in credit, market, liquidity, cash flow, operational, and legal risks:

28.1. Credit risk management:

28.1.1. The counterparty should choose the bank that has business dealings with the company as much as possible.

28.1.2. Responsible personnel should regularly reconcile with the bank after the transaction.

28.2. Market risk management

28.2.1. The data entry person should check at any time whether the total amount meets the limits specified in this procedure.

28.2.2. Monthly market price assessment by financial unit trading units, and pay attention to market price fluctuations.

28.2.3. Liquidity risk management: When selecting financial products, the company should be based on higher liquidity (that is, it can be squeezed at any time in the market). The financial institutions entrusted with transactions must have sufficient information and the capability to trade in any market at any time.

28.3. Cash flow risk management: Traders should comply with the terms of delegation and pay attention to the company's cash flow to ensure sufficient cash payment at the time of delivery.

28.4. Operation risk management:

28.4.1. The company's delegation should be strictly followed and the operating process should be included in the internal audit operation to reduce the operation risk.

28.4.2. Derivatives traders may not simultaneously assume the role of conflicting positions.

28.4.3. The result of risk measurement should be reported to board of directors periodically.

28.4.4. Regular evaluation should be performed.

28.5. Product risk management: Internal traders should have complete and correct expertise in financial products and request banks to fully expose risks to avoid misuse of financial products.

28.6. Legal risk management: The signing of the contract with the bank should be reviewed by specific persons of foreign exchange, legal specialist or legal counsel.

29. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.

30. Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.

31. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.

32. Regular evaluation methods and the handling of irregular circumstances.

32.1. Where the Company engaging in derivatives trading, the board of directors shall faithfully supervise and manage such trading in accordance with the following principles:

32.1.1. Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.

32.1.2. Periodically evaluate whether or not derivatives trading performance is consistent with the established operating strategy and whether or not the risk undertaken is within the company's permitted scope of tolerance.

32.2. Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:

32.2.1. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with the procedures.

32.2.2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion.

33. The internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the



trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing. Where independent directors have been appointed in accordance with the provisions of the Act, for matters for which notice shall be given to the supervisors under the preceding paragraph, written notice shall also be given to the independent directors.

#### **Section 4. Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares**

34. The Company that conducts a merger, de-merger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.
35. The Company participating in a merger, de-merger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 of the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.
36. Where the shareholders meeting of any one of the companies participating in a merger, de-merger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, de-merger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.
37. The Company participating in a merger, de-merger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, de-merger, or acquisition, unless another act provides otherwise or the the Financial Supervisory Commission of Taiwan is notified in advance of extraordinary circumstances and grants consent.

38. The Company participating in a transfer of shares shall call a board of directors' meeting on the day of the transaction, unless another act provides otherwise or the Financial Supervisory Commission of Taiwan is notified in advance of extraordinary circumstances and grants consent.
39. When participating in a merger, de-merger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference.
- 39.1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, de-merger, acquisition, or transfer of another company's shares prior to disclosure of the information.
- 39.2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract and the convening of a board of directors' meeting.
- 39.3. Important documents and minutes: Including merger, de-merger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors' meetings.

When participating in a merger, de-merger, acquisition, or transfer of another company's shares, the company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the the Financial Supervisory Commission of Taiwan for recordation.

40. Every person participating in or privy to the plan for a merger, de-merger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, de-merger, acquisition, or transfer of shares.
41. The Company participating in a merger, de-merger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, de-merger, acquisition or transfer of shares:
- 41.1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
- 41.2. An action, such as a disposal of major assets, that affects the company's financial operations.

- 41.3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
  - 41.4. An adjustment where any of the companies participating in the merger, de-merger, acquisition, or transfer of shares from another company, buys back treasury stock.
  - 41.5. An increase or decrease in the number of entities or companies participating in the merger, de-merger, acquisition, or transfer of shares.
  - 41.6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
42. The contract for participation by a public company in a merger, de-merger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, de-merger, acquisition, or transfer of shares, and shall also record the following:
- 42.1. Handling of breach of contract.
  - 42.2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
  - 42.3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
  - 42.4. The manner of handling changes in the number of participating entities or companies.
  - 42.5. Preliminary progress schedule for plan execution, and anticipated completion date.
  - 42.6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
43. After public disclosure of the information, if any company participating in the merger, de-merger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, de-merger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
44. Where any of the companies participating in a merger, de-merger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Articles 37, 38, 39, 40, & 43 and the preceding article.

### **Chapter 3 Public Disclosure of Information**

45. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:
- 45.1 Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more. Provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
  - 45.2. Merger, demerger, acquisition, or transfer of shares.
  - 45.3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
  - 45.4 Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
    - 45.4.1. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
    - 45.4.2. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
  - 45.5. Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.
  - 45.6. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
  - 45.7. Where an asset transaction other than any of those referred to in the preceding six sub-

paragraphs, a disposal of receivables by a financial institution, or an investment in the Mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million.

Provided, this shall not apply to the following circumstances:

45.7.1. Trading of domestic government bonds.

45.7.2. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.

45.7.3. Trading of bonds under re-purchase and re-sale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

- I. The amount of any individual transaction.
- II. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
- III. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
- IV. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the procedure need not be counted toward the transaction amount.

46. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the Financial Supervisory Commission of Taiwan by the 10th day of each month.

Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the Financial Supervisory Commission of Taiwan within 2 days counting inclusively from the date of occurrence of the event:

- I. Change, termination, or rescission of a contract signed in regard to the original transaction.
- II. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
- III. Change to the originally publicly announced and reported information.

#### **Chapter 4 Additional Provisions**

47. The publicly announce and report the relevant information on the FSC's designated website of the Company's subsidiaries:

47.1. Information required to be publicly announced and reported in accordance with the provisions of the preceding Chapter on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the Company.

47.2. The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Article 45.

47.3. For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

In the case of a company whose shares have no par value or a par value other than NT\$10- for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.

48. Deleted

49. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

50. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.

51. Penalties for personnel violating these Regulations or the procedures shall be punished or adjusted according to the relevant regulations of the competent authority and the company.

52. Total amounts of real property or securities acquired by the company and each subsidiary for non-business use, and limits on individual securities are as following:

52.1. Total amounts of real property for non-business use shall not exceed 20% of the Company's net worth as stated in its latest financial statement, and the subsidiary shall not exceed 10%.

52.2. The total amount of short-term securities investment shall not exceed 40% of the Company's net worth as stated in its latest financial statement, and the total amount of securities of the same company shall not exceed 10% of the Company's net worth as stated in its latest financial statement. The total amount of all security investments by each Subsidiary shall not exceed 20% and 10% of the subsidiary's net worth as stated in the latest financial statement, respectively.

52.3. For long-term investment in securities, the total amount of investment and the amount of investment in individual securities are not restricted.

53. The Company shall establish its procedures for the acquisition or disposal of assets.

54. Any other matters not set forth in the Procedure shall be dealt with in accordance with the applicable laws, rules, and company's related regulations.

55. Implementation and revision

The Company shall formulate the Procedures, and, after passage by the board of directors, submit the Procedures to each supervisor and submit them for approval by the shareholders' meeting. The same shall apply to any amendments to the Procedures. Where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to each supervisor and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures.

Where the position of independent director has been created in accordance with the provisions of the Act, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

# **Keysheen (Cayman) Holdings Co., Limited**

## **Procedures for lending funds to other parties**



(I) Objective

In order to make the company's relevant matters of lending funds to other parties, there are procedures to follow. Any other matters not set forth in the Procedure shall be dealt with in accordance with Article 36-1 of the Securities and Exchange Act and related regulations.

(II) Entities to which the company may loan funds, the aggregate amount of loans and the maximum amount permitted to a single borrower

1. According to the Company Act of the listed country, the company's funds may not be lent funds to shareholders or any other person except in the following cases.

- (1) single enterprise with business relationship
- (2) enterprise with where short-term financing as needed

"The short-term" used herein means not exceed one year from the date of lending or one business cycle, whichever is longer.

2. The aggregate amount of loans and the maximum amount permitted to a single borrower

- (1) The threshold of loan funds to others by the Company for a single enterprise with business relationship or where short-term financing as needed, may not exceed 40 percent or more of the Company's net worth as stated in its latest financial statement.
- (2) The loan funds to others by the Company for a single enterprise with business relationship, the amount of individual loans shall not exceed the total amount of business transactions between the two parties in the previous 12 months (the so-called business transaction amount refers to the purchase and sales between parties). And may not exceed 10% of the net worth of the Company.
- (3) The restriction in previous paragraph (1) shall not apply to inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares. However, the amount limits may not exceed 200% of the net worth of the Company.
- (4) The loan funds to others by the Company for where short-term financing needed, the amount of individual loans may not exceed 10 percent or more of the Company's net worth as stated in its latest financial statement.
- (5) The threshold of inter-company loans of funds to overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares by the Company and single borrower, may not exceed 40 percent or more of the Company's net worth as stated in its latest financial statement. The threshold of inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares by the Company and single borrower, may not exceed 100 percent or more of the lender Company's net worth as stated in its latest financial statement.
- (6) The overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares by the Company, the threshold of inter-company loans of funds to the Company and single borrower, may not exceed 100 percent or more of the lender Company's net worth as stated in its latest financial statement.

"The net worth" used herein should mean the latest financial statements of this Company audited or examined by certified public accountants.

(III) Evaluation standards for reason and necessity of extending loans to others:

Where funds are loaned for reasons of business dealings, as short-term financing is needed subjected to the following conditions:

1. The Company with more than 50% of the company's shares has short-term financing for business needs.
2. Others have approved loans of funds by the board of directors of the company.

(IV) Duration of loans and calculation of interest.

1. Each duration of loans is based on the principle of no more than one year or one business cycle, whichever is longer.
2. The interest calculation of the loan is calculated on a daily basis, and the sum of the daily loan balances (*i.e.*, the total accumulation) is multiplied by the annual interest rate, and then divided by 365 as the one-day interest amount. The interest rate of loan shall not be lower than the average interest rate of the Company's short-term borrowings from financial institutions.

The loan interests of inter-company loans of funds to overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares by the Company, may be waived except for special agreement.

3. Except for special agreement, the payment of interest on loans is on monthly basis. And will notify the borrower to pay interest on time one week prior to the date of the agreed interest payment.

(V) Procedures for handling loans of funds.

1. application procedure

- (1) Any borrower shall submit an application describing in detail the purpose, term, loan amount requested, together with certain basic information and financial data, to the Finance Department of the Company.
- (2) Where short-term financing is needed, the reasons for and conditions of extending loans shall be enumerated with borrower credit status assessment. Submit the relevant information and the proposed loan conditions to the general manager and the chairman of the board for review. And the Company may loan funds to others only after the evaluation results have been submitted to and resolved upon by the board of directors. The Company shall not empower any other person to make such decision.
- (3) Where the company has established the position of independent director, when it loans funds to others, it shall take into full consideration each independent director's opinions; independent directors' opinions specifically expressing dissent or abstention and their reasons shall be included in the minutes of the board of directors' meeting.
- (4) The inter-company loans of funds to overseas companies in which the Company

holds, directly or indirectly, 100% of the voting shares by the Company, or inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, may waive borrower credit status assessment.

2. The review procedures, including:

- (1) The necessity of and reasonableness of extending loans to others.
- (2) Borrower credit status and risk assessment.
- (3) Impact on the company's business operations, financial condition, and shareholders' equity.
- (4) Whether collateral must be obtained and appraisal of the value thereof.

(IV) Subsequent measures for control and management of loans

After a loan is extended, shall periodically evaluate the financial status, business, and credit of the borrower and guarantor. If there is a collateral, should pay attention to the change in the value of the collateral. One month before the loan is due, the borrower should be notified to pay off the principal in the future.

1. When the borrower repays the loan on due date, first calculate the interest payable, and together with the principal repaid; the debt certificate such as the promissory note and the debit shall be written off and returned to the borrower.
2. If the borrower applies for cancelling the mortgage, it should first determine whether there is a balance of the loan and decide whether to agree.

(VII) Record and keeping of lending funds

The Company shall prepare a memorandum book for its fund-lending activities and truthfully record the following information: borrower, amount, date of approval by the board of directors, lending/borrowing date, and matters to be carefully evaluated under the procedure.

(VIII) Notices for lending funds to other parties

1. Any lending of the Company's funds shall be evaluated with and subject to the Procedures, and then submitted, together with the result of the evaluation to the Board of Directors for its approval and no delegation shall be made to any person in this regard. When fund lending has been approved by the Board of Directors, and the Chairman shall be authorized to handle the matter within the Board's approved amount of fund lending to the same party and the lending is authorized in installment or revolver within one year.
2. Internal auditors shall perform auditing on the Company's lending procedures and status every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the Supervisors and Independent Directors.
3. Should a borrower no longer satisfy the criteria set forth in the Procedure or there be any excess over the lending limit due to unexpected changes of the Company, a corrective plan has to be provided by the Financial Department (under Audit Unit's supervision) to the Supervisors and Independent Directors and the proposed correction

actions should be implemented within the period specified in such plan.

4. The in-charged person shall prepare details of the lending funds to other company for the previous month before the 10th of each month, and submit them for review.

(IX) The procedures for lending funds to other parties of the subsidiaries

1. The subsidiaries of the company intend to lend funds to others, and the company shall assign the subsidiaries to set up the operating procedures of lending funds to other parties, and send them to the board of directors of the subsidiary for implementation after the resolution.
2. When a subsidiary of the company intends to lend funds to others, it must provide relevant information to the company for reference after the resolution of the board of directors of the subsidiary is approved.

(X) Information Disclosure

1. The Company shall announce and report the previous month's loan balances of its head office and subsidiaries by the 10th day of each month.
2. The Company whose loans of funds reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:
  - (1) The aggregate balance of loans to others by the Company and its subsidiaries reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.
  - (2) The balance of loans by the Company and its subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in its latest financial statement.
  - (3) The amount of new loans of funds by the Company or its subsidiaries reaches NT\$10 million or more, and reaches 2 percent or more of the Company's net worth as stated in its latest financial statement.
3. The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to sub-paragraph 3 of the preceding paragraph.

(XI) The Company shall evaluate the status of its loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures.

(XII) Penalty

When the manager and the organizer of the company violate this procedure, they shall report and evaluate according to the working rules of the company, and shall be punished according to their circumstances.

(XIII) Implementation and revision

The Company intending to loan funds to others shall formulate its Operational Procedures for Loaning Funds to Others, and, after passage by the board of directors, submit the

Procedures to each supervisor and submit them for approval by the shareholders' meeting; where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to each supervisor and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures.

Where the Company has established the position of independent director, when it submits its Operational Procedures for Loaning Funds to Others for discussion by the board of directors under the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion; independent directors' opinions specifically expressing dissent or abstention and their reasons for dissent shall be included in the minutes of the board of directors' meeting.

# **Keysheen (Cayman) Holdings Co., Limited**

## **The procedures for endorsements and guarantees**

## 1. Objective

In order to make the company's relevant matters of endorsement and guarantee to other parties, there are procedures to follow. Any other matters not set forth in the Procedure shall be dealt with in accordance with Article 36-1 of the Securities and Exchange Act and related regulations.

## 2. The applicable scope of the endorsements and guarantees referred to in the procedure is as follows:

2.1. Financing endorsements/guarantees include bill discount financing, endorsement or guarantee made to meet the financing needs of another company, and issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.

2.2. Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the company itself or another company with respect to customs duty matters.

2.3. Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two sub-paragraphs.

Any creation by the company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with the procedure.

## 3. The company may make endorsements/guarantees for the following companies:

3.1. A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.

3.2. A company that directly and indirectly holds more than 50 percent of the voting shares in the public company.

Companies in which the company holds, directly or indirectly, 100% or more of the voting shares may make endorsements/guarantees for each other,

## 4. The ceilings on the amounts to make in endorsements/guarantees:

4.1. The aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the net worth of the Company. The ceilings on the amounts the company is permitted to make in endorsements/guarantees for any single entity as a whole reaches 20% or more of the net worth of the Company.

4.2. Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the public company

4.3. Provided that the restriction of 4.1 shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares. The threshold of inter-company to make in endorsements/guarantees for companies in which the Company holds, directly or indirectly, 100% of the voting shares by the Company and single entity may not exceed 300 percent or more of the Company's net worth as stated in its latest financial statement.

4.4. The threshold of inter-company to make in endorsements/guarantees for companies in which the Company holds, directly or indirectly, 100% of the voting shares by the Company and single entity may not exceed 300 percent or more of the Company's net worth as stated in its latest financial statement.

5. To make in endorsements/guarantees for companies, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is within USD50 million and have the decisions subsequently submitted to and ratified by the next board of directors meeting.

Where the Company has established the position of independent director, when it submits the Procedures for endorsements/guarantees for discussion by the board of directors under the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.

6. The procedures for endorsements and guarantees as follows

- 6.1. Any corporate applied for endorsements/guarantees within the limit shall submit an application describing with certain basic information and financial data, to the Finance Department of the Company. The financial unit should review in detail and perform for credit status assessment. Detailed review procedures, including: the necessity of and reasonableness of endorsements/guarantees; credit status and risk assessment of the entity for which the endorsement/guarantee is made; the impact on the company's business operations, financial condition and shareholders' equity; and whether or not collateral must be obtained and appraisal of the value thereof.

- 6.2. The financial unit of the company will collect the relevant information and assessment results of the preceding paragraph, and submit it to the chairman for reporting to the board of directors and according to the resolution of the board of directors.

- 6.3. The financial unit shall prepare a memorandum book for its endorsement/guarantee activities and record in detail the following information for the record: the entity for which the endorsement/guarantee is made, the amount, the date of passage by the board of directors or of authorization by the chairman of the board, the date the endorsement/guarantee is made, and the matters to be carefully evaluated under paragraph 1 of the preceding article.

- 6.4. When the repayment of the enterprise with the endorsement guarantees, the company shall notify the repayment information to the Company in order to release the responsibility of the company and publish it in the memorandum book for its endorsement/guarantee.

- 6.5. The financial unit shall evaluate or record the contingent loss for endorsements/guarantees, and shall adequately disclose information on endorsements/guarantees in its financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures.

7. Procedures for use and custody of corporate chops

The chop may be used for endorsements/guarantees only in prescribed procedures. When making a guarantee for an overseas company, the Company shall have the Guarantee Agreement signed by a person authorized by the board of directors.

8. Notices for endorsement and guarantee

- 8.1. Internal auditors shall perform auditing on the Company's procedures for endorsement and



guarantee and status every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the Supervisors and Independent Directors.

8.2. Should the party to whom the Company provided endorsement and/or guarantee no longer satisfy the criteria set forth in the Procedure or there be any excess over the limit due to unexpected changes of the Company, a corrective plan has to be provided by the Financial Department (under Audit Unit's supervision) to the Supervisors and Independent Directors and the proposed correction actions should be implemented within the period specified in such plan.

8.3. Where the Company needs to exceed the limits set out in the Operating Procedures for Endorsements/Guarantees to satisfy its business requirements, and where the conditions set out in the Operational Procedures for Endorsements/Guarantees are complied with, it shall obtain approval from the board of directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the company by the excess endorsement/guarantee. It shall also amend the Operational Procedures for Endorsements/Guarantees accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the company shall adopt a plan to discharge the amount in excess within a given time limit.

Where the Company has established the position of independent director, when it submits the above item for discussion by the board of directors under the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.

9. The time frame and contents of publicly announce and report are as follows.

9.1. The Company shall enter the endorsement guarantee balance of the Company and its subsidiaries in the previous month before the 10th of each month on the MOPS.

9.2. The Company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report on the MOPS for such event within two days commencing immediately from the date of occurrence: ("Date of occurrence" means the date of contract signing, date of payment, dates of the board of directors' resolutions or other dates that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.)

9.2.1. The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.

9.2.2. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.

9.2.3. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, investments accounted for using the equity method,

and balance of loans to, such enterprise reaches 30 percent or more of the Company's net worth as stated in its latest financial statement.

9.2.4. The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Company's net worth as stated in its latest financial statement.

9.3. The Company shall announce and report at the MOPS on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to the preceding paragraph.

#### 10. Penalty

When the manager and the organizer of the company violate this procedure, they shall report and evaluate according to the working rules of the company, and shall be punished according to their circumstances.

11. For circumstances in which an entity for which the company makes any endorsement/guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, relevant follow-up monitoring and control measures shall be expressly prescribed. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, the sum of the share capital plus paid-in capital in excess of par shall be substituted.

#### 12. Implementation and revision

The Company shall formulate the Operational Procedures and, after passage by the board of directors, submit the Procedures to each supervisor and submit them for approval by the shareholders' meeting; where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to each supervisor and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures.

Where the Company has established the position of independent director, when it submits its Operational Procedures for Loaning Funds to Others for discussion by the board of directors under the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion; independent directors' opinions specifically expressing dissent or abstention and their reasons for dissent shall be included in the minutes of the board of directors' meeting.

# **Keysheen (Cayman) Holdings Co., Limited**

## **Procedure for election of Directors and Supervisors**

Article 1:

To ensure a just, fair, and open election of directors and supervisors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies in Taiwan.

Article 2:

Except as otherwise provided by law and regulation in Taiwan or Cayman Islands, or by this Corporation's articles of incorporation, elections of directors and supervisors shall be conducted in accordance with these Procedures.

Article 3:

The overall composition of the Board of Directors shall be taken into consideration in the selection of this Company's directors. 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.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

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 this Corporation shall consider adjusting its composition based on the results of performance evaluation.

Article 4:

Supervisors of this Corporation shall meet the following qualifications:

1. Integrity and a practical attitude.
2. Impartial judgment.
3. Professional knowledge.
4. Broad experience.

#### 5. Ability to read financial statements.

In addition to the requirements of the preceding paragraph, at least one among the supervisors of this Corporation must be an accounting or finance professional.

A supervisor may not serve concurrently as the director, managerial officer, or any other employee of this Corporation, and at least one of the supervisors must be domiciled in the Republic of China to be able to promptly fulfill the functions of supervisor.

#### Article 5:

In accordance to the Company's Memorandum AND articles OF association, the Company should appoint Independent Directors during the trading of shares in the Taipei Exchange or the Taiwan Stock Exchange. The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies of Taiwan.

#### Article 6:

The cumulative voting method shall be used for election of the directors and supervisors at the Company. Each share will have voting rights in number equal to the directors and supervisors to be elected, and may be cast for a single candidate or split among multiple candidates.

#### Article 7:

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

#### Article 8:

The number of directors and supervisors will be as specified in this Corporation's 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. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

#### Article 9:

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10:

If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 11:

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the Board of Directors.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 12:

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors or supervisors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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 one 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 13:

The Board of Directors of this Corporation shall issue notifications to the persons elected as directors or supervisors.

Article 14:

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Article 15:

This procedure of election are the supplementary articles of the company's articles of association. Those who are not stipulated in this procedure will be subject to the provisions of the company's Articles of Incorporation. If the provisions of this procedure conflict with the provisions of the Articles of Incorporation of the company, the provisions of the Articles of Incorporation of the company shall prevail. If this procedure conflicts with the relevant laws and regulations, the part that conflicts will become invalid, and this part shall be handled in accordance with the relevant laws and regulations.

# **Keysheen (Cayman) Holdings Co., Limited**

## **Rules and Procedures of Shareholders' Meetings**



Article 1: in accordance with:

In order to establish a good shareholder governance system, improve supervision functions and strengthen management functions of the Company, the rules are set out in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2: Unless relevant laws and regulations or the Company's Articles of Association provide otherwise, the Company's Shareholders' Meeting shall be conducted in accordance with the Rules and Procedures of Shareholders' Meetings.

Article 3: the notice of the general meeting:

Except when otherwise specified in applicable laws, the Meeting is convened by the Board of Directors.

At least thirty and fifteen days' notices in writing shall be given for any annual and extraordinary general meetings, respectively. The notice for a general meeting may be given by means of electronic communication if the Company obtains prior consent by the individual recipients. The Company shall prepare a general shareholders' meeting handbook and the relevant materials, which will be sent to or made available to all Shareholders and shall be published on the MOPS. At least twenty-one and fifteen days' notices shall be given for any annual or extraordinary general meetings, respectively. The Company shall prepare a general shareholders' meeting handbook and the relevant materials, which will be sent to or made available to all Shareholders and shall be published on the MOPS. Fifteen days prior to the shareholders' meeting, the general shareholders' meeting handbook and the relevant materials of the meeting shall be prepared for the shareholders' to read and be displayed on the company and the professional stock agency appointed by the company, and shall be distributed at the shareholders' meeting.

The notice and announcement shall state the cause of the convening; the notice approved by the counterparty may be performed by means of electronic transmission.

The matters of election or discharge of directors, amendments to these Articles, dissolution, Merger or Spin-off of the Company, the first paragraph of Article 185 of the Taiwan Company Act, Articles 26-1 & 43-6 of the Securities and Exchange Act, the Articles 56-1 & 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be specified in the notice of a general meeting, and shall not be proposed as ad hoc motions.

Shareholder(s) holding one percent or more of the total number of outstanding Shares immediately prior to the relevant book close period may propose in writing to the Company a proposal for discussion at a general meeting. After review by the board of directors, it will be formally included in the discussion. Provided that only one matter shall be allowed in each single proposal. Under any of the Item 4 of Article 172-1 of the Taiwan Company Act, the board of directors of the Company may exclude the proposal submitted by a shareholder from the list of proposals to be discussed at a regular meeting of shareholders.

Prior to the date on which a share transfer registration is suspended before the convention of a regular shareholders' meeting, the company shall give a public notice announcing the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for

accepting such proposals shall not be less than ten days.

The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words, and any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.

The company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

Article 4: Entrusted to attend the shareholders meeting and power authorized:

A Shareholder may appoint a proxy to attend a general meeting on his behalf by executing a power of attorney prepared by the Company stating therein the scope of power authorized to the proxy.

A Shareholder may only execute one power of attorney and appoint one proxy for each general meeting, and shall serve such written proxy to the Company no later than five days prior to the meeting date. In case the Company receives two or more written proxies from one 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.

After the service of the power of attorney of a proxy to the company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person, a proxy rescission notice shall be filed with the company at least two day prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5: Principle of meeting place and time of the shareholders' meeting:

The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. For so long as the Shares are registered in the Emerging Market or listed in the GreTai Securities Market or TSE, all general meetings shall be held in Taiwan. If the Directors resolve to hold a general meeting outside Taiwan, the Company shall apply for the approval of the GreTai Securities Market (or the TSE, if applicable) thereof within two days after the board of Directors adopts such resolution. The time for commencing the said meeting shall not be earlier than 9 o'clock in the morning or later than 3 o'clock local time in the afternoon. It shall take into full consideration each independent director's opinions.

Article 6: Attendance Signing Booklet:

The company shall specify the time of receipt of the shareholders, the place of registration, and other matters needing attention in the notice of the meeting.

The time for the acceptance of the shareholders of the meeting shall be handled at least 30 minutes

before the start of the meeting; the registration place shall be clearly marked and appropriate personnel shall be appointed to handle it.

Shareholders or the power of attorney of a proxy (the shareholder) attending the Meeting shall have attendance card, sign-in card or other certificate of attendance issued by the Company. The company shall not arbitrarily add other supporting documents for the attendance of the meeting. The proxy Solicitor shall provide ID documents for verification.

The company should set up a signature book for attending shareholders to sign in. Or shareholders attending the Meeting shall submit the attendance card for the purpose of signing in.

The company shall prepare Agenda Handbooks, Annual report, attendance card and voting card for the meeting and the relevant materials, which will be sent to or made available to the attending Shareholders. Where voting powers on the election of directors and supervisors at a shareholders' meeting are to be exercised, a printed ballot shall also be sent to the shareholders, as well.

Any government or corporation which is a Shareholder of the Company it may designate more than one person as its representatives to attend the Meeting. A corporation to be a proxy, only one representative can attend the Meeting.

#### Article 7: Chairman and other Attendance:

The Chairman of the Board of Directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. If, for any reason, the Chairman of the Board of Directors cannot preside at the Meeting, one of the Directors appointed by the Chairman shall preside at the Meeting. If the chairman of the board of directors does not appoint an agent, the directors shall select one person from among themselves to serve as Chairman.

The chairman of the preceding paragraph is a director of the board of directors who has served for more than six months and is aware of the company's financial operations. If the chairman is a representative of a corporation director, the same is true.

In case the Meeting is convened by the Board of Directors, the chairman should personally preside. If a general meeting is called by the board of directors, half or more of the Directors and at least one Supervisor present at the scheduled time for the meeting would be appropriate. At least one representative of each functional committee is present, and the attendance is recorded in the shareholders' meeting minutes.

If the Meeting is convened by any other person entitled to convene the Meeting, such person shall be the chairman to preside at the Meeting. However, if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

The Company may appoint designated counsel, CPA or other related persons to attend the Meeting.

#### Article 8: The process of the Meeting shall be tape-recorded or videotaped:

The company shall tape-record or videotape the whole process of the shareholders' registration process, the process of the meeting, and the voting counting process from the time of acceptance of the shareholders' registration. The process of the Meeting shall be tape recorded or videotaped and these tapes shall be preserved for at least one year.

The tapes of the preceding paragraph shall be preserved for at least one year. If a litigation

occurs according to Article 189 of the Company Act, the relevant audio or video recordings shall continue to be retained until the litigation is concluded.

Article 9: Number of Attendance and meeting:

The attendance of the shareholders' meeting shall be based on the shareholdings. The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with signature book or the attendance cards submitted by the shareholders. Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate.

Article 10: Meeting Process:

The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.

The above provision applies *mutatis mutandis* to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.

Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved. The chairman violated the rules of procedure and announced adjournment. Other members of the board of directors should promptly assist the attending shareholders to set up procedures in accordance with the law, and vote for more than half of the shareholders' voting rights to elect one person to serve as chairman and continue the meeting.

The proposed resolutions should have sufficient discussion and description, the chairman may announce to end the discussion of any resolution and go into voting if the Chairman deems it appropriate.

Article 11: Shareholders' Speech:

When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman. If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding 5 minutes). In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder.

Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise the chairman shall stop such interruption. If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.

After the speech of a shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond.

#### Article 12: Voting Right; Conflict-Interested:

The vote of the shareholders' meeting shall be based on the shareholding

The resolution of the shareholders' meeting, the number of shares of the non-voting shareholders, is not included in the total number of issued shares.

A Shareholder cannot exercise his own vote or by proxy on behalf of another Shareholder with respect to any contract or proposed contract or arrangement if he may be interested therein.

Such Shares shall not be counted in determining the number of votes of the Shareholders present at the said meeting. Except for trust enterprises or Shareholders' Service Agencies approved by Taiwan competent authorities, when a person who acts as the proxy for two or more Shareholders, 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 excess votes represented by such proxy shall not be counted.

#### Article 13: Vote Method:

Shareholders have one vote per share; however, they are not subject to restrictions or those who have no voting rights listed in the second paragraph of Article 179 of the Taiwan Company Act.

The votes of the shareholders' meeting may be exercised in writing or by way of electronic transmission if the method for exercising the votes has been described in the notice of the general meeting.

Except otherwise specified in Taiwan Company Act, the Articles of Association of the Company, or relevant laws, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. At the time of voting, the shareholders voted on a case-by-case basis and on the day after the shareholders' meeting was held, the results of the shareholders' consent, opposition and waiver were entered into the MOPS.

The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s).

At any general meeting a resolution put to the vote of the meeting shall be decided on a poll in the meeting place. The number or proportion of the votes in favor of, or against, that resolution should be announced at the meeting, and shall be recorded in the minutes of the meeting.

In addition to the provisions of the Taiwan Company Act, the method of entrusting the attendance of the shareholders shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" issued by the competent authorities of Taiwan.

Article 14: Election matters:

Where there is a proposal for election of directors in a general meeting shall be conducted in accordance with the Rules for election of Directors and Supervisor, and the results of the election should be announced by the Chairman at the meeting, including a list of elected directors and supervisors and their elected powers.

The voting tickets shall be sealed up and signed by the person(s) checking the ballots, and retained for at least one year. If a litigation occurs according to Article 189 of the Company Act, the relevant audio or video recordings shall continue to be retained until the litigation is concluded.

Article 15: Meeting minutes and signing matter:

The resolutions of general meeting shall be recorded in the meeting minutes. Meeting minutes shall be signed or chopped by the chairman of the meeting and distributed to all shareholders within twenty days after the meeting.

The distribution of Meeting minutes shall be published on the MOPS.

The meeting minutes shall accurately record: the place, year, and time of the meeting; the name of the chairman; the voting method, discussion process and the result of all of the meeting. The meeting minutes shall be carefully kept as the Company's important file throughout the life of the Company.

Article 16: Announcement:

On the day of the shareholders meeting, the Company shall compile a statistical statement of the number of shares obtained by the solicitor through solicitation and the number of shares represented by the proxy agent, and shall make an express disclosure of the same at the site of the shareholders meeting.

The resolutions of the shareholders' meeting, if there is major information stipulated by the Act and the Taiwan Stock Exchange Co., Ltd. (the GreTai Securities Market), the company shall transmit the contents to MOPS of the Taiwan Stock Exchange within the specified time.

Article 17: Persons handling affairs of the Meeting shall wear identification cards or badges:

The chairman may conduct the disciplinary officers or the security guard to assist in keeping order of the Meeting place. Such disciplinary officers or security guards shall wear badges marked "Disciplinary Officers" for identification purpose.

For those shareholders who use microphones other than the ones supplied at the promises may be refrained from speaking by the order of the chairman.

Shareholders who violate the rules of the orders and refuse to obey the instructions given by the chairman, the chairman may order disciplinary officers or security guards to remove them from the premises.

Article 18: Intermission:

During the Meeting, the chairman may, at his discretion, set time for intermission. The chairman may by Ordinary Resolution (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other

than the business left unfinished at the meeting from which the adjournment took place. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Before the final meeting of the shareholders' meeting (including the provisional motion), the venue for the meeting will not be used at that time. It is up to the shareholders' meeting to decide to continue the meeting.

The shareholders' meeting may, in accordance with the provisions of Article 182 of the Taiwan Company Act, decide to postpone or resume the assembly within five days.

**Article 19: Effectiveness:**

The rules of procedure are the by-laws of the company's articles of association, and those not specified in these rules of procedure will be based on the provisions of the company's articles of association. In the event of any conflict between the provisions of The rules of procedure and the provisions of the Articles of Association of the Company, the provisions of the Articles of Association of the Company shall prevail. If the rules of procedure are inconsistent with the relevant laws and regulations, only the part of the rule is invalid, and the part is also handled in accordance with relevant laws and regulations.

**Article 20:** The Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same shall apply to any amendments to the Procedures.

## Keysheen (Cayman) Holdings Co., Limited

### Directors and supervisors holding shares

- I. The Company does not have the provisions of Article 26 of the Securities and Exchange Act and Article 2 of the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.”
- II. Details of directors and supervisors holding shares

Title	Name	Shares registered in the Register of Members	Percentage of Ownership
Chairman	Liu Chung-Hsin	10,320,000	9.90%
Director	Lauer & Sons Corp. Representative: Chen Ming-Shan	11,520,000	11.05%
Director	Liu Hsin-Tsu	9,362,400	8.98%
Director	Lin Hong-Chi	240,000	0.23%
Director	Lee Cheng-Ping	85,000	0.08%
Director	Liu I-Hsiao	9,478,609	9.09%
Director	Liu Tsu-Kun	5,308,560	5.09%
Independent Director	Liu Kong-Hsin	0	0%
Independent Director	Lin Yu-Siang	0	0%
<b>Sub-total of all directors (1)</b>		46,314,569	<b>44.42%</b>
Supervisor	Lai Wu-Lang	360,000	0.35%
Supervisor	Hu Jing-Ming	324,000	0.31%
Supervisor	Chen I-Tai	240,000	0.23%
<b>Sub-total of all supervisor (2)</b>		924,000	<b>0.89%</b>

Note 1. The date on which the Register is closed for transfers: May 2, 2020

Note 2. The shareholding ratio of this table is calculated based on the number of outstanding shares of the Company as of the date of Register is closed for transfers of shares of the Company (104,261,000 shares).



Appendix 8

The effect of the proposed free share allotment on the company's business performance, earnings per share and shareholder return

Item	Year	2020 estimated	
Total amount of paid-in capital in the beginning (In thousands of new Taiwan dollars)		1,042,610	
Share allotment of the year	Cash dividend per share (In new Taiwan dollars)	0.37	
	Surplus to capital increase per thousand shares	0	
	Capital reserve to capital increase per thousand shares	0	
	Capital reserve to cash dividend per shares (In new Taiwan dollars)	0	
Change in business performance	operating profit(in thousands)	Not applicable(Note 1)	
	operating profit	Not applicable(Note 1)	
	Net income after taxes (in thousands dollar)	Not applicable(Note 1)	
	Net income after tax growing rate as compared to the same period last year	Not applicable(Note 1)	
	Earnings Per Share(NTD)	Not applicable(Note 1)	
	Earnings Per Share growing rate as compared to the same period last year	Not applicable(Note 1)	
	Annual average return on investment (reciprocal of annual average P/E)	Not applicable(Note 1)	
Fictional earnings Per Share and Price to earnings ratio	If the surplus is transferred to the capital increase, the full cash dividend will be redeemed.	Fictional earnings per share	Not applicable(Note 1)
		Fictional annual average return on investment	Not applicable(Note 1)
	If the capital reserve is not transferred to the capital increase	Fictional earnings per share	Not applicable(Note 1)
		Fictional annual average return on investment	Not applicable(Note 1)
	If the capital reserve is not processed and the surplus is transferred to the capital, the cash dividend will be distributed.	Fictional earnings per share	Not applicable(Note 1)
		Fictional annual average return on investment	Not applicable(Note 1)

Note 1: According to the "Regulations Governing the Publication of Financial Forecasts of Public Companies," the company does not need to disclose 2020 financial forecast information.