

Redwood Group Ltd
Meeting Minutes of 2019 Annual General Meeting
(Translation)

Time: 9:00 a.m., Monday, June 10, 2019

Venue: Third-floor meeting room at the New Taipei Industrial Park Service Center (No. 95, Wugong Road, Xinzhuang District, New Taipei City)

Attendance: 33,764,832 shares represented by shareholders present in person and by proxy, accounting for 67.20% of total outstanding shares (50,242,500)

Attendees: Thong-ming Soh, Lee-mui Teh, Khay-pin Neo, Min-chiu Chien, Chin-huat Guok, and Chia-shi Lo

On Leave: Pok-chin Lim

Attendees without Voting Rights: Chairman Thong-ming Soh, Independent Director Min-chiu Chien, Finance Manager Ai-ai Siew, Lawyer Hung-pin Chang from Lee and Li Attorneys-at-Law, CPA Ming-chung Hsieh from Deloitte Taiwan

Chairman: Thong-ming Soh

Recorder: Tsui-ling Hsu

- I. Call the Meeting to Order: The shares represented by the shareholders present in person and by proxy constituted a quorum. The Chairman called the meeting to order.

- II. Chairman's Remarks: (Omitted).

- III. Report Items
 - (I) Subject: To approve the 2018 annual operating results.
(Proposed by the Board of Directors)
Explanation: Please refer to Attachment I.

 - (II) Subject: To approve the Audit Committee's approval and audit report for 2018.
(Proposed by the Board of Directors)
Explanation: Please refer to Attachment II.

 - (III) Subject: To approve the amendments of certain articles within the Company's "Rules of Procedure for the Board of Directors' Meetings."
(Proposed by the Board of Directors)
Explanation: Please refer to Attachment III.

IV. Proposed Resolutions

- (I) Subject: To adopt the 2018 annual financial statements.
(Proposed by the Board of Directors)
- Explanation: The Company's 2018 annual financial statements were audited by the CPAs of Deloitte Taiwan, Ming-chung Hsieh and Po-jen Weng. Relevant reports were reviewed by the Audit Committee and approved by a resolution by the Board of Directors. Please refer to Attachment IV.
- Resolution: The chairman ordered that the proposal be voted. Among 33,764,832 votes represented by the shareholders present at the meeting, 33,381,044 were affirmative votes (including 32,126,858 votes in an electronic form), and 15,333 were dissenting votes (including 15,333 votes in an electronic form), and 0 invalid vote, and 368,455 abstained or were not exercised (including 15,505 votes in an electronic form). As the affirmative votes accounted for 98.86% of the total votes, the chairman announced that the proposal was passed as an ordinary resolution.
- (II) Subject: To adopt the 2018 annual statement of deficit compensation.
(Proposed by the Board of Directors)
- Explanation: 1. The Company's consolidated net loss after tax amounted to NT\$24,481,896 in the financial year of 2018. It is proposed not to distribute dividends for the year.
2. Please refer to Attachment V for the 2018 annual statement of deficit compensation.
- Resolution: The chairman ordered that the proposal be voted. Among 33,764,832 votes represented by the shareholders present at the meeting, 33,379,994 were affirmative votes (including 32,125,818 votes in an electronic form), and 16,385 were dissenting votes (including 16,385 votes in an electronic form), and 0 invalid vote, and 368,453 abstained or were not exercised (including 15,503 votes in an electronic form). As the affirmative votes accounted for 98.86% of the total votes, the chairman announced that the proposal was passed as an ordinary resolution.

V. Discussion Items

- (I) Subject: To approve the amendments of certain articles within the Company's "Articles of Incorporation." (Proposed by the Board of Directors)
- Explanation: In line with changes in laws and regulations, it is proposed to amend the Company's "Articles of Incorporation." Please refer to Attachment VI for a comparison table of amendments.
- Resolution: The chairman ordered that the proposal be voted. Among 33,764,832 votes represented by the shareholders present at the meeting, 33,381,034 were affirmative votes (including 32,126,858 votes in an electronic form), and 15,343 were dissenting votes (including 15,343 votes in an electronic form), and 0 invalid vote, and 368,455 abstained or were not exercised (including 15,505 votes in an electronic form). As the affirmative votes accounted for 98.86% of the total votes, the chairman announced that the proposal was passed as a special resolution.

- (II) Subject: To approve the amendments of certain articles within the Company's "Procedures for Derivative Transactions."
(Proposed by the Board of Directors)
- Explanation: In line with changes in laws and regulations, it is proposed to amend the Company's "Procedures for Derivative Transactions." Please refer to Attachment VII for a comparison table of amendments.
- Resolution: The chairman ordered that the proposal be voted. Among 33,764,832 votes represented by the shareholders present at the meeting, 33,381,044 were affirmative votes (including 32,126,868 votes in an electronic form), and 15,333 were dissenting votes (including 15,333 votes in an electronic form), and 0 invalid vote, and 368,455 abstained or were not exercised (including 15,505 votes in an electronic form). As the affirmative votes accounted for 98.86% of the total votes, the chairman announced that the proposal was passed as a special resolution.
- (III) Subject: To approve the amendments of certain articles within the Company's "Procedures for Lending Funds to Other Parties."
(Proposed by the Board of Directors)
- Explanation: In line with changes in laws and regulations, it is proposed to amend the Company's "Procedures for Lending Funds to Other Parties." Please refer to Attachment VIII for a comparison table of amendments.
- Resolution: The chairman ordered that the proposal be voted. Among 33,764,832 votes represented by the shareholders present at the meeting, 33,381,044 were affirmative votes (including 32,126,868 votes in an electronic form), and 15,333 were dissenting votes (including 15,333 votes in an electronic form), and 0 invalid vote, and 368,455 abstained or were not exercised (including 15,505 votes in an electronic form). As the affirmative votes accounted for 98.86% of the total votes, the chairman announced that the proposal was passed as a special resolution.
- (IV) Subject: To approve the amendments of certain articles within the Company's "Procedures for Endorsement and Guarantee." (Proposed by the Board of Directors)
- Explanation: In line with changes in laws and regulations, it is proposed to amend the Company's "Procedures for Endorsement and Guarantee." Please refer to Attachment IX for a comparison table of amendments.
- Resolution: The chairman ordered that the proposal be voted. Among 33,764,832 votes represented by the shareholders present at the meeting, 33,381,044 were affirmative votes (including 32,126,868 votes in an electronic form), and 15,333 were dissenting votes (including 15,333 votes in an electronic form), and 0 invalid vote, and 368,455 abstained or were not exercised (including 15,505 votes in an electronic form). As the affirmative votes accounted for 98.86% of the total votes, the chairman announced that the proposal was passed as a special resolution.
- (V) Subject: To approve the amendments of certain articles within the Company's "Procedures for Acquisition or Disposal of Assets."
(Proposed by the Board of Directors)
- Explanation: In line with changes in laws and regulations, it is proposed to amend the Company's "Procedures for Acquisition or Disposal of Assets." Please refer to Attachment X for a comparison table of amendments.
- Resolution: The chairman ordered that the proposal be voted. Among 33,764,832 votes

represented by the shareholders present at the meeting, 33,381,044 were affirmative votes (including 32,126,868 votes in an electronic form), and 15,333 were dissenting votes (including 15,333 votes in an electronic form), and 0 invalid vote, and 368,455 abstained or were not exercised (including 15,505 votes in an electronic form). As the affirmative votes accounted for 98.86% of the total votes, the chairman announced that the proposal was passed as a special resolution.

VI. Elections

(I) Subject: To elect the Company's fourth-term Directors (including Independent Directors). (Proposed by the Board of Directors)

Explanation:

1. The tenure of the Company's third-term Directors and Independent Directors is to expire on June 12, 2019. However, to accommodate the convention of 2019 Annual General Meeting, it is proposed to expire the term of outgoing Directors after the election which is to be held during the meeting on June 10, 2019.
2. According to the securities acts and regulations of the Republic of China as well as Articles 23 and 25 of the Company's Articles of Incorporation, the Company shall have at least five (5) Directors, among which, at least three (3) shall be Independent Directors. Both Directors and Independent Directors are to serve a term of three years. They are elected from shareholders with legal capacity and are eligible for re-election.
3. In compliance with Article 25.2 of the Company's Articles of Incorporation, the election of Independent Directors adopts the candidate nomination system. Shareholders shall elect from the list of Independent Directors candidates announced before the Annual General Meeting.
4. The Audit Committee is established in accordance with Article 38 of the Company's Articles of Incorporation. The Audit Committee shall comprise all newly-elected Independent Directors. Its exercise of power shall comply with the acts and regulations of the Republic of China and the Company's Articles of Incorporation.
5. The tenure of the Company's third-term Directors and Independent Directors will expire immediately after the tenure of new Directors and Independent Directors elected in the Annual General Meeting on June 10, 2019 commences.
6. Matters pertaining to the election of the fourth-term Directors and Independent Directors:
 - (1) Proposed number of seats: A total of six (6) Directors, including three (3) Independent Directors.
 - (2) Tenure: Three years. It commences immediately after the election in the Annual General Meeting on June 10, 2019 and expires on June 9, 2022. Directors and Independent Directors are eligible for re-election.
7. In compliance with the securities acts and regulations of the Republic of China, the election of Independent Directors adopts the candidate nomination system. Shareholders shall elect from the list of Independent Directors candidates. Please refer to Attachment XI for candidates' education, work experience, and other relevant information.

Election results:

The list of candidates and the number of elected votes are as follows:

Identity	Name of Candidate	Number of Elected Votes
Director	Thong-ming Soh	79,709,834
Director	Lee-mui Teh	66,674,852
Director	Khay-pin Neo	52,348,631
Independent Director	Min-chiu Chien	496,662
Independent Director	Chin-huat Guok	494,328
Independent Director	Chia-shi Lo	465,243

According to the Company's Articles of Incorporation, the new term of Audit Committee shall comprise all newly-elected Independent Directors.

VII. Special Motions: None.

VIII. Adjournment

Time: 9:30 a.m., June 10, 2019

[Attachment 1] 2018 Business Report

Letter to Shareholders

FY2018 had been a very tough year for the Group. The overall global economy in industrial production and trade was slowed, and business confidence fell. This has a direct impact to the luxury market, particularly in the personal luxury market sector, in which the reported growth for 2017-18 was 2% compared to a 5% growth for 2016-17. In FY2018, Redwood Group has booked a total revenue of NT1,506 million, with a gross margin of 21.91%

In the coming year, we continue to see vast opportunities to differentiate ourselves through solutions leadership and transformation initiatives. In 2018, the group has expanded our strategic overseas offices in Japan, France, and the U.S. in order to reach out to our clients more effectively. These offices will allow the company to increase the opportunity for exploring these markets where we have not been fully developing. Redwood Group will continue to stay focused in our core business in providing world-class services to the fit-out sector of luxury retail stores. We also plan to explore new business opportunities in other high-end sectors when the new facilities for the Group, scheduled to be completed by the end of 2019, are in place.

Amidst the challenging environment, I would like to express my heartfelt appreciation to my fellow Board members. With a focused strategy in mind, their counsel and guidance has successfully steered Redwood Group's strategic direction.

To our management team and staff, I would like to thank you for your hard work and dedication to Redwood Group. I would also like to express my gratitude to our business associates, partners, suppliers, and loyal customers, all of whom have lent us strong support. Finally, I would like to thank all of our shareholders for their unwavering faith in Redwood Group.

Redwood Group is on our path to transformation, hoping to a new motivation for growth so as to propel ourselves into the next decade and beyond. With the industry landscape rapidly changing, we need take action to adapt. I believe that we have a capable team in the right positions to execute our plans. However, since we need the understanding and patience of our stakeholders to see the fruits of our efforts, we will provide progress updates as we navigate the winds of change and continue to tap into new opportunities. We have weathered through various cycles in history and seen the industry and its players undergo ups and downs. I believe that with our determination, teamwork, and the support of our honorable investors, we will prevail once again and emerge a stronger organization.

I. Implementation results of 2018 business plan

(I) Implementation results of business plan

Unit: NT\$1,000

Item	FY2018	
	Amount	%
Operating revenue	1,506,228	100.00%
Operating costs	1,176,203	78.09%
Gross profit	330,025	21.91%
Net operating income	(6,305)	(0.42)%
Net income before tax	(16,858)	(1.12)%

(II) Budget execution status: This is not applicable as Company does not have to disclose its financial forecasts to the public.

(III) Cash flows and profitability analysis

Unit: NT\$1,000

Item		FY2018	
Cash flows	Operating revenue	1,506,228	
	Gross profit	330,025	
	Net income before tax	(16,858)	
Profitability	Return on assets (%)	(0.45)%	
	Return on shareholders' equity (%)	(2.44)%	
	Percentage of paid-in capital (%)	Net operating income	(1.25)%
		Net income before tax	(3.36)%
	Net profit margin (%)	(1.63)%	
	Earnings per share (NT\$)	(0.49)	

(IV) Research and development:

The Group has established a technical research and development team to enhance its overall competitiveness. The team is mainly responsible for the research and development of a project prior to its manufacturing. The purpose of testing on the new methods and materials via advanced 3D drawing is to improve production efficiency as well as to reduce production defects, making the Company's production services more comprehensive and professional.

II. Summary of 2018 business plan

(I) Business directions

1. To offer quality crafted products and satisfying services at luxury display locations worldwide.
2. To improve project management capabilities and provide customers with more comprehensive “one-stop” service.
3. To actively train technical talents.
4. To develop new customers and expand the service scope of existing customers to increase market share.

(II) Expected market conditions and reasons of forecasts

Bain & Company 2018 luxury market report has projected the sales up to 2025 and the forecast remains positive in the personal luxury goods sector. Europe and US will share 50% of the total global sales forecasted to be €365 billion, with an average year-to-year growth of about 4%. Mainland China market is expected to enjoy the highest market share growth from 8% to 22% by 2025 while the rest of Asia and other markets will remain a moderate growth.

(III) Significant production and sales policies

The Group accelerates in setting up overseas operation bases to serve existing customers and explore new brand customers. In 2018, the Company has established subsidiaries in Japan, France, and the USA with the aims of providing faster services to customers and responding to customer needs. We create value for our customers and enhance customer service quality to ensure customers' loyalty to the Redwood Group.

III. Future development strategies of the Company

- (I) To research and develop automated manufacturing processes, improve production efficiency, increase productivity, train technical talents, etc.
- (II) To continuously improve the project management capabilities and production technologies of projects and provide customers with satisfying products and services.
- (III) To explore new customers with high growth potential on the basis of interior fittings for luxury brands.
- (IV) The Group actively seeks merger and acquisition targets which can complement the Group in operation, business, and customer aspects.

IV. Impacts from external competition, regulatory compliance, and macro-environment

The unstable macro-economic environment or external business conditions have a certain degree of influence on the global luxury market. With countermeasures for downturns and joint efforts from employees and suppliers, the Group still continues to perform well. We believe that, despite the dire environment and under competitive pressure, the Group can still achieve outstanding performance, by operating and managing our business well and continuously strengthening our competitive advantages.

With the growth of the luxury market and its mounting pricing pressure, it can be expected that there will be more competitors lowering their prices to secure a project. However, the Company will place particular emphasis on the overall operations and further enhance and improve the quality, service quality, technology, and cost control policies of the products, so as to strengthen our competitive advantages and continue to enjoy our competitive edge, ahead of other competitors.

At present, world-famous luxury brands are highly concerned with corporate social responsibility (CSR) issues. Therefore, the Group ensures that we meet relevant ethical standards in the production process and receive customers' recognitions for our CSR to further enhance our competitive advantages and brand benefits.

Chairman:
Thong-ming Soh

General Manager:
Sheng-chiang Li

Accounting Officer:
Ai-ai Hsiao

[Attachment II] Audit Committee's Approval and Audit Report for 2018

Redwood Group Ltd **Audit Committee's Approval and Audit Report**

The Company's 2018 consolidated financial statements were approved by the Audit Committee and resolved by the Board of Directors. Deloitte Taiwan was appointed by the Board to audit the consolidated financial statements and it had issued an audit report with unqualified opinion.

The Audit Committee was responsible for overseeing the Company's financial reporting process.

Certified Public Accountants (CPAs) communicated the following matters with the Audit Committee during their audit of the Company's 2018 financial statements:

1. There was no significant audit findings within the audit scope and time frame planned by the CPAs.
2. The CPAs provided the Audit Committee with a statement that they had complied with relevant ethical requirements with regard to independence. No other relationships or matters which might affect the independence of CPAs had been identified.
3. The communication of key audit matters between CPAs and the Audit Committee determined the key audit matters to be communicated in the audit report.

In addition, the Company's 2018 annual operating results and earning distribution proposal resolved by the Board had been audited by the Audit Committee and deemed as in compliance with relevant laws and regulations.

In summary, the Company's 2018 financial statements approved by the Audit Committee and resolved by the Board of Directors, and the Company's 2018 annual operating results and earning distribution proposal resolved by the Board of Directors and audited by the Audit Committee were in compliance with relevant laws and regulations. We hereby submit this report in accordance with Article 219 of the Company Act.

Sincerely,

Redwood Group Ltd

Convener of the Audit Committee

Min-chiu Chien

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[Attachment III] Comparison Table of Amendments to the "Rules of Procedure for the Board of Directors' Meetings"

REDWOOD GROUP LTD

Comparison Table of Amendments to the "Rules of Procedure for the Board of Directors' Meetings"

After the Amendment	Before the Amendment	Description
<p>Article 1 The Rules are drawn up in accordance with the Company's Articles of Incorporation and relevant laws <u>and regulations in order to build a sound governance system for the Board of Directors, reinforce its supervisory functions, strengthen its management functions, as well as build a sound corporate governance so as to assist Directors in carrying out their duties and enhance the Board's efficiency.</u></p>	<p>Article 1 The Rules are drawn up in accordance with the Company's Articles of Incorporation and relevant laws and regulations in order to build a sound governance system for the Board of Directors, reinforce its supervisory functions, and strengthen its management functions.</p>	<p>This article is amended in line with amendments to the "Regulations Governing the Appointment and Exercise of Powers by the Board of Directors of TPEX Listed Companies."</p>
<p>Article 2 With regards to the Company's Board meetings, the main agenda, procedures, matters required in the meeting minutes, public announcement, and other compliance requirements shall be conducted in accordance with the provisions of the Rules. <u>Unless otherwise stipulated in laws or regulations or the Articles of Incorporation, requests from Directors shall be handled in accordance with the Rules.</u></p>	<p>Article 2 With regards to the Company's Board meetings, the main agenda, procedures, matters required in the meeting minutes, public announcement and other compliance requirements shall be conducted in accordance with the provisions of the Rules.</p>	<p>This article is amended in line with amendments to the "Regulations Governing the Appointment and Exercise of Powers by the Board of Directors of TPEX Listed Companies."</p>
<p>Article 2-1 <u>The Company's Directors shall be provided with appropriate and timely information in the form and quality that allow them to make informed decisions and carry out their duties.</u></p>		<p>I. This article is added. II. This article is added in line with amendments to the "Regulations Governing the Appointment and Exercise of Powers by the Board of Directors of TPEX Listed Companies."</p>
<p>Article 5</p>	<p>Article 5</p>	<p>This article is amended in line</p>

After the Amendment	Before the Amendment	Description
<p>The Company’s Board of Directors appoints the Administration Department to be the unit in charge for the Board meetings.</p> <p>The unit in charge of the Board meetings shall draft the agenda of the Board meetings and provide sufficient meeting materials to be sent with the meeting notice.</p> <p>If Directors consider the meeting materials to be insufficient, they may request the unit in charge to provide supplementary information, of which <u>the unit in charge shall provide within three (3) days</u>. If Directors consider the materials concerning the proposals to be insufficient, the deliberation may be postponed upon a resolution of the Board.</p>	<p>The Company’s Board of Directors appoints the Administration Department to be the unit in charge for the Board meetings.</p> <p>The unit in charge of the Board meetings shall draft the agenda of the Board meetings and provide sufficient meeting materials to be sent with the meeting notice.</p> <p>If Directors consider the meeting materials to be insufficient, they may request the unit in charge to provide supplementary information. If Directors consider the materials concerning the proposals to be insufficient, the deliberation may be postponed upon a resolution of the Board.</p>	<p>with amendments to the “Regulations Governing the Appointment and Exercise of Powers by the Board of Directors of TPEX Listed Companies.”</p>
<p>Article 5-1</p> <p>The Company does not have a chief governance officer; <u>thus, the Administration Department is responsible for handling requests from Directors. The Administration Department shall fulfill such requests within three (3) days by the principle of assisting Directors in carrying out their duties in a timely and effectively manner.</u></p>		<p>I. This article is added.</p> <p>II. This article is added in line with amendments to the “Regulations Governing the Appointment and Exercise of Powers by the Board of Directors of TPEX Listed Companies.”</p>
<p>Date of establishment of the Rules: December 30, 2010</p> <p>First amendment: March 3, 2011</p> <p>Second amendment: March 20, 2012</p> <p>Third amendment: June 18, 2012</p> <p>Fourth amendment: September 5, 2012</p> <p>Fifth amendment: December 22, 2014</p> <p>Sixth amendment:</p>	<p>Date of establishment of the Rules: December 30, 2010</p> <p>First amendment: March 3, 2011</p> <p>Second amendment: March 20, 2012</p> <p>Third amendment: June 18, 2012</p> <p>Fourth amendment: September 5, 2012</p> <p>Fifth amendment: December 22, 2014</p> <p>Sixth amendment:</p>	<p>A new amendment date is added.</p>

After the Amendment	Before the Amendment	Description
November 14, 2017 <u>Seventh amendment:</u> <u>March 20, 2019</u>	November 14, 2017	

[Attachment IV] 2018 Annual Financial Statements INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Redwood Group Ltd

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

Revenue recognized based on construction in progress:

As described in Notes 4, section 10 and Note 5 of the consolidated financial statements, the

construction revenue of the Group was 1,506,228 thousand for the year ended December 31, 2018, the recognition of revenue and cost are based on the percentage of completion of construction. However, the calculation of estimated total cost was subject to historical experience and fluctuation of construction materials, and management's significant judgement. Because the calculation of percentage of completion of construction is significant with regard to revenue recognition, therefore, we identified the estimation of construction cost to be a key audit matter.

With evaluation of the industry and economic environment and testing of related internal controls, major audit procedures performed are the following:

1. We sampled all construction proposals and examined its estimation sheet of construction cost and amount of estimated materials, labor and manufacturing expense in accordance with the estimated total cost of the proposal.
2. We sampled all construction proposals, examined and matched unit cost with its construction cost in the estimation sheet with the latest purchasing unit cost in similar proposals.
3. We verified the percentage of actual cost input accounted for estimated total cost and compared with the completion of construction in progress accepted by the owner to evaluate the rationality of estimated total cost. If there is any difference, we obtained the statement from management and verified the rationality.
4. We sampled all construction proposals, examined its manufacturing cost in its estimated cost sheet; the expenses accrued should obtain quotation from supplier and should base on quotation, matching the amount with quotation.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (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 audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

We communicate with those charged with governance regarding, among other matters, the

planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

The engagement partners on the audit resulting in this independent auditors' report are Ming Chung Hsieh and Po-Jen Weng.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 20, 2019

Notice to Readers

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

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

REDWOOD GROUP LTD AND SUBSIDIARIES

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

ASSETS	2018		2017	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 353,259	21	\$ 348,794	21
Contract assets - current (Note 21)	159,901	10	-	-
Trade receivables (Notes 9 and 28)	347,679	21	492,734	30
Other receivables (Notes 9 and 28)	193	-	90	-
Other receivables from related parties (Notes 9, 28 and 29)	59	-	431	-
Current tax assets (Note 23)	29,939	2	36,534	2
Inventories (Note 11)	59,270	3	69,665	4
Prepayments (Notes 14 and 15)	47,915	3	69,072	4
Amounts due from customers for construction contracts (Note 10)	-	-	67,495	4
Other current assets (Note 15)	4,499	-	4,726	-
Total current assets	<u>1,002,714</u>	<u>60</u>	<u>1,089,541</u>	<u>65</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Note 7)	92,092	6	-	-
Financial assets measure at cost - non-current (Note 8)	-	-	101,921	6
Property, plant and equipment (Notes 13 and 30)	508,874	30	475,134	28
Deferred tax assets (Note 23)	1,959	-	45	-
Prepayment for lease - non-current (Notes 14 and 15)	45,455	3	-	-
other non-current assets (Note 15)	16,424	1	11,735	1
Total non-current assets	<u>664,804</u>	<u>40</u>	<u>588,835</u>	<u>35</u>
TOTAL	<u>\$ 1,667,518</u>	<u>100</u>	<u>\$ 1,678,376</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ 143,872	9	\$ 22,825	1
Contract liabilities-current (Note 21)	104,903	6	-	-
Trade payables (Notes 17 and 28)	160,378	10	209,149	13
Trade payables to related parties (Notes 17, 28 and 29)	22	-	1,118	-
Amounts due to customers for construction contracts (Note 10)	-	-	50,643	3
Other payables (Notes 18, 28 and 29)	120,863	7	104,519	6
Other payables to related parties (Notes 18 and 29)	1,554	-	625	-
Current tax liabilities (Note 23)	15,932	1	35,135	2
Current portion of long-term borrowings (Note 16)	58,486	3	62,217	4
Other current liabilities (Note 18)	1,351	-	13,775	1
Total current liabilities	<u>607,361</u>	<u>36</u>	<u>500,006</u>	<u>30</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 16)	101,799	6	93,625	5
Deferred tax liabilities (Note 23)	12,211	1	27,078	2
Total non-current liabilities	<u>114,010</u>	<u>7</u>	<u>120,703</u>	<u>7</u>
Total liabilities	<u>721,371</u>	<u>43</u>	<u>620,709</u>	<u>37</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)				
Share capital - ordinary shares	<u>502,425</u>	<u>30</u>	<u>506,925</u>	<u>30</u>
Capital surplus	<u>293,911</u>	<u>18</u>	<u>313,601</u>	<u>19</u>
Retained earnings				
Special reserve	244,592	14	253,341	15
Unappropriated earnings	94,699	6	195,846	12
Total retained earnings	<u>339,291</u>	<u>20</u>	<u>449,187</u>	<u>27</u>
Other equity				
Exchange differences on translation of foreign financial statements	(178,644)	(11)	(187,856)	(11)
Unrealized gain on financial assets of fair value through other comprehensive income	(10,836)	-	-	-
Total other equity	<u>(189,480)</u>	<u>(11)</u>	<u>(187,856)</u>	<u>(11)</u>
Treasury shares	-	-	(24,190)	(2)
Total equity attributable to owners of the Company	<u>946,147</u>	<u>57</u>	<u>1,057,667</u>	<u>63</u>
TOTAL	<u>\$ 1,667,518</u>	<u>100</u>	<u>\$ 1,678,376</u>	<u>100</u>

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

REDWOOD GROUP LTD AND SUBSIDIARIES

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

	2018		2017	
	Amount	%	Amount	%
OPERATING REVENUE (Note 29)				
Construction revenue	\$ 1,506,228	100	\$ 1,771,132	100
OPERATING COSTS (Note 29)				
Construction costs	<u>(1,176,203)</u>	<u>(78)</u>	<u>(1,211,085)</u>	<u>(68)</u>
GROSS PROFIT	<u>330,025</u>	<u>22</u>	<u>560,047</u>	<u>32</u>
OPERATING EXPENSES (Notes 22 and 29)				
Selling and marketing expenses	(8,801)	-	(9,130)	(1)
General and administrative expenses	(345,301)	(23)	(340,408)	(19)
Expected credit gain	<u>17,772</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>(336,330)</u>	<u>(22)</u>	<u>(349,538)</u>	<u>(20)</u>
(LOSS) PROFIT FROM OPERATIONS	<u>(6,305)</u>	<u>-</u>	<u>210,509</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES (Notes 22 and 29)				
Other income	7,886	-	9,101	-
Other gains and losses	(6,728)	-	(5,233)	-
Finance costs	<u>(11,711)</u>	<u>(1)</u>	<u>(5,139)</u>	<u>-</u>
Total non-operating income and expenses	<u>(10,553)</u>	<u>(1)</u>	<u>(1,271)</u>	<u>-</u>
(LOSS) PROFIT BEFORE INCOME TAX	(16,858)	(1)	209,238	12
INCOME TAX EXPENSE (Note 23)	<u>(7,625)</u>	<u>-</u>	<u>(39,079)</u>	<u>(2)</u>
NET (LOSS) PROFIT FOR THE YEAR	<u>(24,483)</u>	<u>(1)</u>	<u>170,159</u>	<u>10</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized loss on investments in debt instruments as at fair value through other comprehensive income	(7,229)	-	-	-
Exchange difference arising on translation to the presentation currency	979	-	(16,401)	(1)

(Continued)

REDWOOD GROUP LTD AND SUBSIDIARIES

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

	2018		2017	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	\$ 8,233	-	\$ 33,658	2
Other comprehensive loss for the year, net of income tax	1,983	-	17,257	1
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ (22,500)</u>	<u>(1)</u>	<u>\$ 187,416</u>	<u>11</u>
NET (LOSS) PROFIT ATTRIBUTABLE TO:				
Owners of the Company	<u>\$ (24,483)</u>	<u>(2)</u>	<u>\$ 170,159</u>	<u>10</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:				
Owners of the Company	<u>\$ (22,500)</u>	<u>(1)</u>	<u>\$ 187,416</u>	<u>11</u>
(LOSS) EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ (0.49)</u>		<u>\$ 3.39</u>	
Diluted	<u>\$ (0.49)</u>		<u>\$ 3.39</u>	

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

REDWOOD GROUP LTD AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company							
	Share (Thousand)	Capital Surplus	Retained Earnings		Other Equity			Total Equity
			Special Reserve	Unappropriate d Earnings	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensiv e Income	Exchange Differences on Translating Foreign Operations	Treasury Shares	
BALANCE AT JANUARY 1, 2017	\$ 483,000	\$ 313,601	\$ 176,202	\$ 318,151	\$ -	\$ (205,113)	\$ (24,190)	\$ 1,061,651
Appropriation of 2016 earnings								
Special reserve	-	-	77,139	(77,139)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	(191,400)	-	-	-	(191,400)
Share dividends distributed by the Company	23,925	-	-	(23,925)	-	-	-	-
Net profit for the year ended December 31, 2017	-	-	-	170,159	-	-	-	170,159
Other comprehensive income for the year ended December 31, 2017, net of income tax	-	-	-	-	-	17,257	-	17,257
Total comprehensive income for the year ended December 31, 2017	-	-	-	170,159	-	17,257	-	187,416
BALANCE AT DECEMBER 31, 2017	506,925	313,601	253,341	195,846	-	(187,856)	(24,190)	1,057,667
Effect of retrospective application and retrospective restatement	-	-	-	-	(3,607)	-	-	(3,607)
BALANCE AT JANUARY 1, 2018	506,925	313,601	253,341	195,846	(3,607)	(187,856)	(24,190)	1,054,060
Appropriation of 2017 earnings								
Special reserve	-	-	(8,749)	8,749	-	-	-	-
Cash dividends distributed by the Company	-	-	-	(85,413)	-	-	-	(85,413)
Share dividends distributed by the Company	-	-	-	-	-	-	-	-
Net loss for the year ended December 31, 2018	-	-	-	(24,483)	-	-	-	(24,483)
Other comprehensive loss for the year ended December 31, 2018, net of income tax	-	-	-	-	(7,229)	9,212	-	1,983
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	(24,483)	(7,229)	9,212	-	(22,500)
Treasury shares	(4,500)	(19,690)	-	-	-	-	24,190	-
BALANCE AT DECEMBER 31, 2018	\$ 502,425	\$ 293,911	\$ 244,592	\$ 94,699	\$ (10,836)	\$ (178,644)	\$ -	\$ 946,147

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

REDWOOD GROUP LTD AND SUBSIDIARIES

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

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) income before income tax	\$ (16,858)	\$ 209,238
Adjustments for:		
Depreciation expenses	65,997	56,844
Expected credit loss reversed on trade receivables	(17,772)	-
Impairment loss (reversed) recognized on trade receivables	-	(6,597)
Finance costs	11,711	5,139
Interest income	(1,037)	(820)
Net loss on foreign currency exchange	4	11,042
Gain on disposal of property, plant and equipment	(874)	(994)
Write-downs of inventories	485	4,483
Amortization of prepayments for leases	1,475	-
Changes in operating assets and liabilities		
Contracts assets	67,891	-
Trade receivables	(6,948)	(131,505)
Other receivables	269	73
Amounts due from customers for construction contracts	-	35,182
Inventories	9,685	17,041
Prepayments	12,212	(35,811)
Other current assets	10,791	(10,455)
Contracts liabilities	46,771	-
Trade payables	(49,867)	87,790
Other payables	4,751	(25,691)
Amounts due to customers for contracts work	-	(76,703)
Other current liabilities	(5,029)	1,722
Cash generated from operations	133,657	139,978
Interest paid	(11,711)	(5,139)
Income taxes paid	(37,616)	(84,371)
Net cash generated from operating activities	<u>84,330</u>	<u>50,468</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(82,603)	(62,215)
Purchase of financial assets measured at cost	-	(35,229)
Proceeds from disposal of property, plant and equipment	2,071	1,260
Decrease in refundable deposits	382	-
Increase in refundable deposits	-	(1,939)
Decrease in long-term receivables	9,250	5,331
Increase in prepayments for equipment	(4,977)	-
Increase in prepayments for leases	(48,549)	-
Interest received	1,037	820
Net cash used in investing activities	<u>(123,389)</u>	<u>(91,972)</u>

(Continued)

REDWOOD GROUP LTD AND SUBSIDIARIES

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

	2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ 121,047	\$ 22,825
Proceeds from long-term borrowings	66,660	43,172
Repayments of long-term borrowings	(62,217)	-
Dividends paid to owners of the Company	<u>(85,413)</u>	<u>(191,400)</u>
Net cash generated from (used in) financing activities	<u>40,077</u>	<u>(125,403)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>3,447</u>	<u>(695)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,465	(167,602)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>348,794</u>	<u>516,396</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 353,259</u>	<u>\$ 348,794</u>

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

[Attachment V] 2018 Annual Statement of Deficit Compensation

Redwood Group Ltd
Annual Statement of Deficit Compensation
FY2018

Unit: NT\$

Item	Amount	
	Subtotal	Total
Unappropriated earnings, beginning of period		\$119,178,799
Minus: Net loss after tax for the year	(24,481,896)	
Add: Reversal of special reserve (Including adjustment to accommodate exchange differences in the financial statements of foreign operations)	9,212,173	(15,269,723)
Unappropriated earnings, end of period		\$103,909,076

Note: Remuneration to Directors and bonus to employees distributed during the period in the form of cash: None.

Chairman:
Thong-ming Soh

General Manager:
Sheng-chiang Li

Accounting Officer:
Ai-ai Hsiao

[Attachment VI] Comparison Table of Amendments to the Articles of Incorporation

1. Memorandum of Association

Proposed Amendment	Original Article	Reason for Amendment
<p>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 the Companies Law (2016 Revision) or as the same may be revised from time to time, or any other laws of the Cayman Islands.</p>	<p>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 the Companies Law (2013 Revision) or as the same may be revised from time to time, or any other laws of the Cayman Islands.</p>	<p>This Article is amended to reflect the new revision of Companies Law of Cayman Islands.</p>

2. Article of Association

Proposed Amendment	Original Article	Reason for Amendment
<p>2.6 <u>The pre-emptive right of employees under Article 2.3 and the pre-emptive right of Members under Article 2.4 shall not apply in the event that new Shares are issued due to the following reasons or for the following purposes:</u></p> <p>(a) in connection with a Merger, or pursuant to any reorganization of the Company;</p> <p>(b) in connection with meeting the Company's obligations under share subscription warrants and/or options, including those rendered in Articles 2.8 and 2.10 hereof;</p>	<p>2.6 <u>The pre-emptive right of Members under Article 2.4 shall not apply in the event that new Shares are issued due to the following reasons or for the following purposes:</u></p> <p>(a) in connection with a Merger, or pursuant to any reorganization of the Company;</p> <p>(b) in connection with meeting the Company's obligations under share subscription warrants and/or options, including those rendered in Articles 2.8 and 2.10 hereof;</p>	<p>This Article is amended to clarify that the employees do not have pre-emptive right in each situation listed in this Article.</p>

<p>(c) in connection with the issue of Restricted Shares in accordance with Article 2.5 hererof;</p> <p>(d) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire Shares;</p> <p>(e) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire Shares;</p> <p>(f) <u>in connection with the issue of shares in accordance with Article 34.1 or Article 35; or</u></p> <p>(g) in connection with Private Placement.</p>	<p>(c) in connection with the issue of Restricted Shares in accordance with Article 2.5 hererof;</p> <p>(d) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire Shares;</p> <p>(e) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire Shares; or</p> <p>(f) in connection with Private Placement.</p>	
<p><u>15.6 For so long as the Shares are listed on the TPEX , any one or more Member(s) may summon an extraordinary general meeting, provided that such Member or Members shall hold more than fifty per cent of the total issued shares of the Company for a continuous period of no less than three months. The number of the Shares held by a Member and the period of which a Member holds such Shares, shall be calculated and determined based on the Register of Members as of the first day of</u></p>	<p>(New Article)</p>	<p>This Article is added pursuant to the revised Shareholders' Rights Protection Checklist published by the Taipei Exchange on December 7, 2018.</p>

<p><u>the period that the Register of Members shall be closed for transfers.</u></p>		
<p><u>15.7 If the Board does not or is unable to convene a general meeting (including the annual general meeting) or it is for the Company's benefit, the Independent Director may convene a general meeting when necessary.</u></p>	<p>(New Article)</p>	<p>This Article is added pursuant to the revised Shareholders' Rights Protection Checklist published by the Taipei Exchange on December 7, 2018.</p>
<p>16.6 <u>The following matters shall be stated in the notice of a general meeting, with a summary of the major content to be discussed, and shall not be proposed as an extemporaneous motion:</u></p> <ul style="list-style-type: none"> (a) election or discharge of Directors; (b) alteration of the Articles; (c) <u>capital deduction,</u> (d) <u>application to terminate the public offering of the shares,</u> (e) (i) dissolution, Merger or spin-off, (ii) entering into, amending, or terminating any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to others or the regular joint operation of the Company with others, (iii) transfer 	<p>16.6 <u>The following matters shall be stated in the notice of a general meeting, with a summary of the major content to be discussed, and shall not be proposed as an extemporaneous motion:</u></p> <ul style="list-style-type: none"> (a) election or discharge of Directors; (b) alteration of the Articles; (c) (i) dissolution, Merger or spin-off, (ii) entering into, amending, or terminating any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to others or the regular joint operation of the Company with others, (iii) transfer of the Company's business or assets, in whole or in any essential part or (iv) acquisition or assumption of the whole business or assets of another 	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taipei Exchange on December 7, 2018.</p>

<p>of the Company's business or assets, in whole or in any essential part or (iv) acquisition or assumption of the whole business or assets of another person, which has a material effect on the Company's operation;</p> <p>(f) approval of an action by Director(s) who engage(s) in business for himself/herself or on behalf of another person that is within the scope of the Company's business;</p> <p>(g) approval of an action by Director(s) who engage(s) in business for himself/herself or on behalf of another person that is within the scope of the Company's business;</p> <p>(h) distribution of Capital Reserve in the form of new Shares or cash; and</p> <p>(i) Private Placement of any equity-type securities issued by the Company.</p> <p><u>The major content of the above matters can be announced at the website designated by Taiwan securities authority or by the Company, and the Company shall specify the link to the website in the notice of the relevant general meeting.</u></p>	<p>person, which has a material effect on the Company's operation;</p> <p>(d) approval of an action by Director(s) who engage(s) in business for himself/herself or on behalf of another person that is within the scope of the Company's business;</p> <p>(e) distribution of the whole or part of the surplus profit of the Company in the form of new Shares;</p> <p>(f) distribution of Capital Reserve in the form of new Shares or cash; and</p> <p><u>Private Placement of any equity-type securities issued by the Company.</u></p>	
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<p>16.7 <u>The Board shall keep the Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the Company's Registered Office (if applicable) and the Company's stock affairs agent located in the ROC. Members may request, from time to time, by submitting document(s) evidencing his/her interests involved and indicating the designated scope of the inspection, access to inspect, review or make copies of the foregoing documents. If the relevant documents are kept by the Company's stock affairs agent, upon the request of any Member, the Company shall order the Company's stock affairs agent to provide such Member with the requested documents.</u></p>	<p><u>16.7 The Board shall keep the Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the Company's Registered Office (if applicable) and the Company's stock affairs agent located in the ROC. Members may request, from time to time, by submitting document(s) evidencing his/her interests involved and indicating the designated scope of the inspection, access to inspect, review or make copies of the foregoing documents.</u></p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taipei Exchange on December 7, 2018.</p>
<p>16.9 <u>If the general meeting is convened by the Board and other person entitled to convene a general meeting in accordance with these Articles or any applicable law, the Board and such person may request the Company or the Company's stock affairs agent to provide the Register of Members. Upon the request, the Company shall (and shall order the Company's stock affairs agent to) provide the Register of Members.</u></p>	<p>(New Article)</p>	<p>This Article is added pursuant to the revised Shareholders' Rights Protection Checklist published by the Taipei Exchange on December 7, 2018.</p>

<p><u>16.10</u>The Board may postpone any general meeting called in accordance with the Articles and a notice of postponement shall be given to each Member before the time scheduled for such meeting. A notice of the adjourned meeting shall be given as in the case of an original meeting.</p>	<p><u>16.9</u> The Board may postpone any general meeting called in accordance with the Articles and a notice of postponement shall be given to each Member before the time scheduled for such meeting. A notice of the adjourned meeting shall be given as in the case of an original meeting.</p>	<p>Change to article number due to addition of articles.</p>
<p><u>16.11</u> The Directors shall be entitled to receive notice of, attend and be heard at, the general meeting.</p>	<p><u>16.10</u> The Directors shall be entitled to receive notice of, attend and be heard at, the general meeting.</p>	<p>Change to article number due to addition of articles.</p>
<p><u>17.6</u> <u>Member(s) holding 1% or more of the total outstanding Shares immediately prior to the relevant book close period, during which the Company closed its Register of Members, may propose to the Company in writing or any electronic means designated by the Company a matter for discussion at an annual general meeting. Proposals shall be included in the agenda of the annual general meeting by the Board unless (a) the proposing Member(s) holds less than 1% of the total number of outstanding Shares, (b) the matter of such proposal may not be resolved by a general meeting or the proposal exceeds 300 Chinese words; (c) the proposing Member(s) has proposed more than one proposal; or (d) the proposal is submitted to the Company outside the period fixed and announced by the Company for accepting Member(s)' proposal(s). If the purpose of the proposal is to urge the</u></p>	<p><u>17.6</u> <u>Member(s) holding 1% or more of the total outstanding Shares immediately prior to the relevant book close period, during which the Company closed its Register of Members, may propose to the Company in writing a matter for discussion at an annual general meeting. Proposals shall not be included in the agenda of the annual general meeting where (a) the proposing Member(s) holds less than 1% of the total number of outstanding Shares, (b) the matter of such proposal may not be resolved by a general meeting; (c) the proposing Member(s) has proposed more than one proposal; or (d) the proposal is submitted to the Company after the date fixed and announced by the Company for accepting Member(s)' proposal(s).</u></p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taipei Exchange on December 7, 2018.</p>

<p><u>Company to promote public interests or fulfil its social responsibilities, the Board may accept such proposal to be discussed in general meeting.</u></p>		
<p>25.6 <u>The Company may from time to time by Supermajority Resolution remove any Director from office, whether or not appointing another person to fill the vacancy. Where re-election of all Directors is effected prior to the expiration of the term of office of the current Directors, the term of office of all current Directors is deemed to have expired on the date of the re-election or any other date as otherwise resolved by the Members at the general meeting if the Members do not resolve that all current Directors will only retire at the expiration of their term of office. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to re-elect all Directors.</u></p>	<p>25.6 <u>The Company may from time to time by Supermajority Resolution remove any Director from office, whether or not appointing another person to fill the vacancy. Prior to the expiration of the term of office of the current Directors, the Members may at a general meeting re-elect all Directors, whose vote shall be calculated in accordance with Article 25.2 above. The term of office of all current Directors is deemed to have expired on the date of the re-election or any other date as otherwise resolved by the Members at the general meeting if the Members do not resolve that all current Directors will only retire at the expiration of their term of office. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to re-elect all Directors.</u></p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taipei Exchange on December 7, 2018.</p>
<p>26.1 <u>The office of a Director shall be vacated if:</u> (a) the Director is removed from office pursuant to the Articles;</p>	<p>26.1 <u>The office of a Director shall be vacated if:</u> (a) the Director is removed from office pursuant to the Articles;</p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taipei Exchange on December 7, 2018.</p>

<p>(b) the Director gives notice in writing to the Company that he resigns the office of Director;</p> <p>(c) the Director dies or makes any arrangement or composition with his creditors generally;</p> <p>(d) <u>the Director has been adjudicated bankrupt or the court has declared a liquidation process in connection with the Director, and such Director has not been reinstated to his rights and privileges;</u></p> <p>(e) an order is made by any competent court or official on the grounds that he has no legal capacity, or his legal capacity is restricted according to the applicable laws;</p> <p>(f) <u>the Director has been adjudicated of the commencement of assistantship (as defined under the ROC Civil Code) or similar declaration and such assistantship/declaration having not been revoked yet;</u></p> <p>(g) having committed an offence as specified in the ROC statute of prevention of organizational crimes and subsequently adjudicated guilty by a final judgment, and (A) has not</p>	<p>(b) the Director gives notice in writing to the Company that he resigns the office of Director;</p> <p>(c) the Director dies, <u>becomes bankrupt</u> or makes any arrangement or composition with his creditors generally;</p> <p>(d) an order is made by any competent court or official on the grounds that he has no legal capacity, or his legal capacity is restricted according to the applicable laws;</p> <p>(e) having committed an offence as specified in the ROC statute of prevention of organizational crimes and subsequently adjudicated guilty by a final judgment, and <u>the time elapsed after he has served the full term of such sentence is less than five years;</u></p> <p>(f) having committed an offence involving fraud, breach of trust or misappropriation and subsequently punished with imprisonment of a term of one year or more, and <u>the time elapsed after he has served the full term of such sentence is less than two years;</u></p>	
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<p><u>started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than five years, or (D) was pardoned for less than five years;</u></p> <p>(h) <u>having committed an offence involving fraud, breach of trust or misappropriation and subsequently punished with imprisonment of a term of one year or more, and (A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less than two years, or (D) was pardoned for less than two years;</u></p> <p>(i) <u>having been adjudicated guilty by a final judgment for committing offenses under the ROC Anti-Corruption Act during the time of his public service, and (A) has not started serving the sentence, (B) has not completed serving the sentence, (C) the time elapsed after completion of serving the sentence or expiration of the probation is less</u></p>	<p>(g) <u>having been adjudicated guilty by a final judgment for misappropriating public funds during the time of his public service, and the time elapsed after he has served the full term of such sentence is less than two years;</u> or</p> <p>(h) <u>having been dishonoured for use of negotiable instruments, and the term of such sanction has not yet expired.</u></p> <p><u>In the event that any of the foregoing events described in clauses (c), (d), (e), (f), (g) and (h) has occurred to a candidate for election of Director, such person shall be disqualified from being elected as a Director.</u></p>	
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<p><u>than two years, or (D) was pardoned for less than two years; or</u></p> <p>(j) <u>having been dishonoured for use of negotiable instruments, and the term of such sanction has not yet expired.</u></p> <p><u>In the event that any of the foregoing events described in clauses (d), (e), (f), (g), (h), (i), and (j) has occurred to a candidate for election of Director, such person shall be disqualified from being elected as a Director.</u></p>		
<p>26.2 <u>In case a Director (other than an Independent Director) has, during the term of office as a Director, transferred more than one half of the Company's shares being held by him/her at the time he/she is elected, he/she shall, ipso facto, be removed automatically from the position of Director with immediate effect and no shareholders' approval shall be required. For the avoidance of doubt, for any Director who was elected at the annual general meeting of the Company on June 14, 2013 and has, before the adoption of this Article 26.2, transferred more than one half of the Company's shares being held by him at the time he was elected, he shall, ipso facto, be removed automatically from the office of Director with immediate effect and in such case no approval from the shareholders shall be required only if, on or after the date of the adoption of this</u></p>	<p>26.2 <u>In case a Director has, during the term of office as a Director, transferred more than one half of the Company's shares being held by him/her at the time he/she is elected, he/she shall, ipso facto, be removed automatically from the position of Director with immediate effect and no shareholders' approval shall be required. For the avoidance of doubt, for any Director who was elected at the annual general meeting of the Company on June 14, 2013 and has, before the adoption of this Article 26.2, transferred more than one half of the Company's shares being held by him at the time he was elected, he shall, ipso facto, be removed automatically from the office of Director with immediate effect and in such case no approval from the shareholders shall be required only if, on or after the date of the adoption of this</u></p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taipei Exchange on December 7, 2018.</p>

<p><u>Article 26.2, he further transfers one or more Company's shares.</u></p>	<p><u>Article 26.2, he further transfers one or more Company's shares.</u></p>	
<p>26.3 <u>If any Director (other than an Independent Director) has, after having been elected and before his/her inauguration of the office of Director, transferred more than one half of the Company's shares being held by him/her at the time of his/her election as a Director, then he/she shall immediately cease to be a Director and no shareholders' approval shall be required. If any Director has, after having been elected as a Director, transferred more than one half of the Company's shares being held by him/her within the share transfer prohibition period prior to the convention of a shareholders' meeting according to the Applicable Public Company Rules, then he/she shall immediately cease to be a Director and no shareholders' approval shall be required.</u></p>	<p>26.3 <u>If any Director has, after having been elected and before his/her inauguration of the office of Director, transferred more than one half of the Company's shares being held by him/her at the time of his/her election as a Director, then he/she shall immediately cease to be a Director and no shareholders' approval shall be required. If any Director has, after having been elected as a Director, transferred more than one half of the Company's shares being held by him/her within the share transfer prohibition period prior to the convention of a shareholders' meeting according to the Applicable Public Company Rules, then he/she shall immediately cease to be a Director and no shareholders' approval shall be required.</u></p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taipei Exchange on December 7, 2018.</p>
<p>28.6 <u>Notwithstanding anything to the contrary contained in this Article 28, a Director who engages in anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the Members in a general meeting the essential contents of such conduct and seek its approval by Supermajority Resolution. Where the spouse, the person related to a Director by</u></p>	<p>28.6 <u>Notwithstanding anything to the contrary contained in this Article 28, a Director who engages in anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the Members in a general meeting the essential contents of such conduct and seek its approval by Supermajority Resolution.</u></p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taipei Exchange on December 7, 2018.</p>

<p><u>blood and within the second degree, or any company which has a controlling or controlled relationship with a Director has interests in the matters under discussion in the meeting of the Directors, such Director shall be deemed to have a personal interest in the matter. The terms "controlling" and "controlled" shall be interpreted in accordance with the Applicable Public Company Rules.</u></p>		
<p>34.1 <u>The Company is in an industry of high-quality interior fittings for luxury brands and its life cycle is in the phase of business expansion and steady growth. Considering that the Company's overall developments, financial planning, fund needs and prosperity and prospects of the industry and ensuring the protection of shareholders' interests, the Company shall adopt a conservative and sound dividend policy for dividend distribution. Subject to the Statute, Article 12.4(a) and this Article and except as otherwise provided by the rights attached to any Shares, the Company may distribute profits in accordance with a proposal for profits distribution approved by the Board and sanctioned by the Members by an Ordinary Resolution, in annual general meetings. If there are profits, in making the profits distribution recommendation, the Board shall set aside out of the profits of the Company for each financial year: (i) a</u></p>	<p>34.1 <u>The Company is in an industry of high-quality interior fittings for luxury brands and its life cycle is in the phase of business expansion and steady growth. Considering that the Company's overall developments, financial planning, fund needs and prosperity and prospects of the industry and ensuring the protection of shareholders' interests, the Company shall adopt a conservative and sound dividend policy for dividend distribution. Subject to the Statute, Article 12.4(a) and this Article and except as otherwise provided by the rights attached to any Shares, the Company may distribute profits in accordance with a proposal for profits distribution approved by the Board and sanctioned by the Members by an Ordinary Resolution, in annual general meetings. If there are profits, in making the profits distribution recommendation, the Board shall set aside out of the profits of the Company for each financial year: (i) a</u></p>	<p>This Article is amended to reflect the accurate reference number and accommodate the company's need.</p>

<p><u>reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses incurred in previous years; and (iii) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules. After combining accumulated undistributed earnings in the previous years and setting aside a certain amount of remaining profits of such financial year as a reserve or reserves for development purposes as the Board may from time to time think fit pursuant to Article 34.6, subject to the compliance with the Statute, the remaining amount shall be distributed in the following sequence and manner upon approval by the Members:</u></p> <p>(a) no less than 0.2% as employees' bonus;</p> <p>(b) no more than 5% as directors' bonus; and</p> <p>(c) no less than <u>20%</u> to the Members as Dividends, provided that, cash Dividends shall not be less than 10% of the total amount of Dividends.</p>	<p><u>reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses incurred in previous years; and (iii) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules. After combining accumulated undistributed earnings in the previous years and setting aside a certain amount of remaining profits of such financial year as a reserve or reserves for development purposes as the Board may from time to time think fit pursuant to Article 34.5, subject to the compliance with the Statute, the remaining amount shall be distributed in the following sequence and manner upon approval by the Members:</u></p> <p>(a) no less than 0.2% as employees' bonus;</p> <p>(b) no more than 5% as directors' bonus; and</p> <p>(c) no less than <u>50%</u> to the Members as Dividends, provided that, cash Dividends shall not be less than 10% of the total amount of Dividends.</p>	
<p><u>34.2 The Company, in addition to the dividends to be distributed at the end of each financial year, may distribute interim dividends to the Members on semi-year basis. If the Board decides not to</u></p>	<p>(New Article)</p>	<p>This Article is added to include the provisions with respect to distribution of interim dividends.</p>

<p><u>distribute interim dividends, the Board shall adopt a resolution to confirm such non-distribution after the relevant first half of the financial year. The distribution of the dividends at the end of each financial year shall comply with the requirements and procedures set forth in Articles 34.1 to 34.8 and 34.12 to 34.13 and the distribution of the dividends for the first half of the financial year shall comply the requirements and procedures set forth in Articles 34.8 to 34.14.</u></p>		
<p><u>34.3</u> No Dividend or other distribution shall be paid except out of the realised or unrealised profits of the Company, out of the share premium account or any reserve, fund, or account as otherwise permitted by the Statute. Except as otherwise provided by the rights attached to any Shares, all Dividends and other distributions shall be paid according to the number of the Shares that a Member holds. If any Share is issued on terms providing that it shall rank for Dividend as from a particular date, that Share shall rank for Dividend accordingly.</p>	<p><u>34.2</u> No Dividend or other distribution shall be paid except out of the realised or <u>unrealised</u> profits of the Company, out of the share premium account or any reserve, fund, or account as otherwise permitted by the Statute. Except as otherwise provided by the rights attached to any Shares, all Dividends and other distributions shall be paid according to the number of the Shares that a Member holds. If any Share is issued on terms providing that it shall rank for Dividend as from a particular date, that Share shall rank for Dividend accordingly.</p>	<p>Change to article number due to addition of articles.</p>
<p><u>34.4</u> The Board may deduct from any Dividend or other distribution payable to any Member all sums of money (if any) then payable by him to the Company for any reason.</p>	<p><u>34.3</u> The Board may deduct from any Dividend or other distribution payable to any Member all sums of money (if any) then payable by him to the Company for any reason.</p>	<p>Change to article number due to addition of articles.</p>

<p><u>34.5</u> Subject to Article 34.1 and the Statute, the Board may resolve that any Dividend or other distribution be paid wholly or partly by the distribution of specific assets and in particular (but without limitation) by the distribution of shares, debentures, or securities of any other company or in any one or more of such ways subject, however (a) the obtaining of (i) the approval in a general meeting of the type of specific assets and the corresponding amount of such substitutive distribution; and (ii) the consent from the Member who will receive such assets; and (b) the value of specific assets and the corresponding amount of such substitutive distribution shall be assessed by an ROC certified public accountant before the Board submit the same to a general meeting for approval. Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient and in particular may determine that cash payments shall be made to any Members upon the basis of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees in such manner as may seem expedient to the Board.</p>	<p><u>34.4</u> Subject to Article 34.1 and the Statute, the Board may resolve that any Dividend or other distribution be paid wholly or partly by the distribution of specific assets and in particular (but without limitation) by the distribution of shares, debentures, or securities of any other company or in any one or more of such ways subject, however (a) the obtaining of (i) the approval in a general meeting of the type of specific assets and the corresponding amount of such substitutive distribution; and (ii) the consent from the Member who will receive such assets; and (b) the value of specific assets and the corresponding amount of such substitutive distribution shall be assessed by an ROC certified public accountant before the Board submit the same to a general meeting for approval. Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient and in particular may determine that cash payments shall be made to any Members upon the basis of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees in such manner as may seem expedient to the Board.</p>	<p>Change to article number due to addition of articles.</p>
<p><u>34.6</u> The Board may, before resolving to pay any Dividend or other distribution, set aside such sums as it thinks proper as a reserve or reserves which shall, at the</p>	<p><u>34.5</u> The Board may, before resolving to pay any Dividend or other distribution, set aside such sums as it thinks proper as a reserve or reserves which shall, at the</p>	<p>Change to article number due to addition of articles.</p>

<p>discretion of the Board, be applicable for any purpose of the Company and pending such application may, at the discretion of the Board, be employed in the business of the Company.</p>	<p>discretion of the Board, be applicable for any purpose of the Company and pending such application may, at the discretion of the Board, be employed in the business of the Company.</p>	
<p><u>34.7</u> Any Dividend, other distribution, interest or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of the holder who is first named on the Register of Members or to such person and to such address as such holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any Dividends, other distributions, bonuses, or other monies payable in respect of the Share held by them as joint holders.</p>	<p><u>34.6</u> Any Dividend, other distribution, interest or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of the holder who is first named on the Register of Members or to such person and to such address as such holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any Dividends, other distributions, bonuses, or other monies payable in respect of the Share held by them as joint holders.</p>	<p>Change to article number due to addition of articles.</p>
<p><u>34.8</u> No Dividend or other distribution shall bear interest against the Company.</p>	<p><u>34.7</u> No Dividend or other distribution shall bear interest against the Company.</p>	<p>Change to article number due to addition of articles.</p>
<p><u>34.9</u> <u>The Company may distribute interim dividend in accordance with a proposal for profits distribution approved by the Board, provided that if the interim dividend will be distributed by way of applying such</u></p>	<p>(New Article)</p>	<p>This Article is added to include the provisions with respect to distribution of interim dividends.</p>

<p><u>sum in paying up in full unissued shares, in addition to the approval of the Board, such distribution shall also be sanctioned by the Members by a Supermajority Resolution in a general meeting.</u></p>		
<p><u>34.10 For the distribution of interim dividends, the proposal of surplus earning distribution or loss off-setting for [the relevant quarter/the first half of the financial year], together with the business report and financial statements (which shall be audited or reviewed by a certified public accountant in accordance with the Applicable Public Company Rules), shall be submitted to the Audit Committee for approval, and then, be submitted to the Board for approval.</u></p>	<p>(New Article)</p>	<p>This Article is added to include the provisions with respect to distribution of interim dividends.</p>
<p><u>34.11 When the Company makes the interim distribution, the Company shall (a) estimate and reserve all payable taxes, (b) offset losses incurred in previous years, and (c) reserve the Statutory Reserve (unless the Statutory Reserve has reached the total paid-up capital of the Company).</u></p>	<p>(New Article)</p>	<p>This Article is added to include the provisions with respect to distribution of interim dividends.</p>
<p><u>34.12</u> The Board shall fix any date as the record date for determining the Members entitled to receive any Dividend or other distribution. The Register of Members shall be closed for a period of five days before the relevant fixed record date or such other period consistent with the</p>	<p><u>34.8</u> The Board shall fix any date as the record date for determining the Members entitled to receive any Dividend or other distribution. The Register of Members shall be closed for a period of five days before the relevant fixed record date or such other period consistent with the</p>	<p>Change to article number due to addition of articles.</p>

Applicable Public Company Rules or the Statute.	Applicable Public Company Rules or the Statute.	
<p><u>34.13</u> Any Dividend or other distribution which cannot be paid to a Member and/or which remains unclaimed after six months from the date on which such Dividend or other distribution becomes payable may, in the discretion of the Board, be paid into a separate account in the Company's name, provided that the Company shall not be constituted as a trustee in respect of that account and the Dividend or other distribution shall remain as a debt due to the Member. Any Dividend or other distribution which remains unclaimed after a period of six years from the date on which such Dividend or other distribution becomes payable shall be forfeited and shall revert to the Company.</p>	<p><u>34.9</u> Any Dividend or other distribution which cannot be paid to a Member and/or which remains unclaimed after six months from the date on which such Dividend or other distribution becomes payable may, in the discretion of the Board, be paid into a separate account in the Company's name, provided that the Company shall not be constituted as a trustee in respect of that account and the Dividend or other distribution shall remain as a debt due to the Member. Any Dividend or other distribution which remains unclaimed after a period of six years from the date on which such Dividend or other distribution becomes payable shall be forfeited and shall revert to the Company.</p>	<p>Change to article number due to addition of articles.</p>
<p>45 Derivative Action</p> <p>To the extent permitted under the laws of the Cayman Islands, members continuously holding <u>1%</u> or more of the total issued shares of the Company for <u>six months</u> or longer may file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors.</p>	<p>45 Derivative Action</p> <p>To the extent permitted under the laws of the Cayman Islands, members continuously holding <u>3%</u> or more of the total issued shares of the Company for <u>a year</u> or longer may file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors.</p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taipei Exchange on December 7, 2018.</p>

<p>48 <u>Social Responsibilities</u></p> <p><u>When the Company conducts the business, the Company shall comply with the laws and regulations as well as business ethics and may take actions which will promote public interests in order to fulfill its social responsibilities.</u></p>	<p>(New Article)</p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taipei Exchange on December 7, 2018.</p>
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[Attachment VII] Comparison Table of Amendments to the "Procedures for Derivative Transactions"

REDWOOD GROUP LTD

Comparison Table of Amendments to the Procedures for Derivative Transactions

After the Amendment	Before the Amendment	Description
<p>Article 5: The maximum loss limit for total and individual contracts</p> <p>Hedging transactions: As hedging transactions are engaged to meet the Company's actual needs, the risks associated are put under control via assessment beforehand. <u>The maximum loss for a single transaction shall not exceed 10 percent of the contract amount.</u> The cumulative loss in a year shall not exceed US\$500,000.</p>	<p>Article 5: The maximum loss limit for total and individual contracts</p> <p>Hedging transactions: As hedging transactions are engaged to meet the Company's actual needs, the risks associated are put under control via assessment beforehand. The cumulative loss in a year shall not exceed US\$500,000.</p>	<p>In compliance with Subparagraph 1, Article 19 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" : "...total amount of derivatives contracts that may be traded, and the maximum loss limit on total trading and for individual contracts."</p>
<p>Date of establishment of the Procedures: December 30, 2010</p> <p>First amendment: March 5, 2011</p> <p>Second amendment: August 24, 2011</p> <p>Third amendment: June 7, 2017</p> <p><u>Fourth amendment:</u> June 10, 2019</p>	<p>Date of establishment of the Procedures: December 30, 2010</p> <p>First amendment: March 5, 2011</p> <p>Second amendment: August 24, 2011</p> <p>Third amendment: June 7, 2017</p>	<p>A new amendment date is added.</p>

[Attachment VIII] Comparison Table of Amendments to the "Procedures for Lending Funds to Other Parties"

REDWOOD GROUP LTD

Comparison Table of Amendments to the "Procedures for Lending Funds to Other Parties"

After the Amendment	Before the Amendment	Description
<p>Article 2: The party to whom the Company may lend its funds and the total lending amount and credit limit of individual party</p> <p>I. (I) Omitted.</p> <p>(II) Companies or firms requiring short-term financing. <u>The lending amount shall not exceed 40 percent of the lending company's net worth.</u> The aforementioned "short-term" in Subparagraph 2 of Paragraph 1 means one year or a business operating cycle (as in the Company's case) if the company's business operating cycle exceeds one year. The lending amount refers to the accumulated balance of the Company's short-term financing.</p> <p>The provision of Subparagraph 2 of Paragraph 1 is not applicable to financing between offshore companies whose voting shares are 100 percent held, directly or indirectly, by the Company or financing provided to the Company by offshore companies whose voting shares are 100 percent held, directly or indirectly, by the Company. <u>However, the total lending amount and credit limit of individual party shall still be specified along with the lending duration.</u></p> <p>II. to IV. Omitted.</p> <p>V. <u>If a company's person in</u></p>	<p>Article 2: The party to whom the Company may lend its funds and the total lending amount and credit limit of individual party</p> <p>I. (I) Omitted.</p> <p>(II) Companies or firms requiring short-term financing. The aforementioned "short-term" in Subparagraph 2 of Paragraph 1 means one year or a business operating cycle (as in the Company's case) if the company's business operating cycle exceeds one year. The lending amount refers to the accumulated balance of the Company's short-term financing.</p> <p>The provision of Subparagraph 2 of Paragraph 1 is not applicable to financing between offshore companies whose voting shares are 100 percent held, directly or indirectly, by the Company. <u>However, the lending duration shall not exceed one (1) year.</u></p> <p>II. to IV. Omitted.</p>	<p>1. To increase the flexibility of fund allocation and use within the Group, financing provided to a public company by offshore companies whose voting shares are 100 percent held, directly or indirectly, by the public company is not subject to the restrictions of 40 percent of the lender's net worth and one-year lending duration.</p> <p>2. The provision where when short-term financing exceeds the limits stipulated by the Procedures, a company's person in charge shall be liable, jointly and severally, for repayments of the lending amount and any resulting damages is added.</p>

After the Amendment	Before the Amendment	Description
<p><u>charge violates the provisions of Paragraph 1, he/she shall be liable, jointly and severally with the borrower, for repayments of the lending amount. If the company suffers damages, he/she shall also be liable to compensate for the damages.</u></p>		
<p>Article 10: Information disclosure I. to III. Omitted. IV. The date of occurrence specified in the Procedures refers to the date of contract signing, payment date, resolution date of the Board of Directors, or other dates on which the financing party and amount can be ascertained, whichever is earlier.</p>	<p>Article 10: Information disclosure I. to III. Omitted. IV. The date of occurrence specified in the Procedures refers to the date of contract signing for the transaction, payment date, resolution date of the Board of Directors, or other dates on which the transaction party and amount can be ascertained, whichever is earlier.</p>	<p>As financing is not of a transaction nature, the wording of Paragraph 4 is amended accordingly.</p>
<p>Article 11: Implementation and amendment The Procedures are to be amended by the management in accordance with company's operation. Amendments take effect once they are reviewed and approved by the Audit Committee, resolved by the Board of Directors and adopted at the shareholders' meeting. If any Director expresses objections on the record or in writing, the Company shall submit the objections to the shareholders' meeting for discussion. The same applies to any amendment made to the Procedures. <u>The Company has established an Audit Committee. The establishment and amendment of Procedures for Endorsement and Guarantee shall be approved by the majority of all</u></p>	<p>Article 11: Implementation and amendment The Procedures are to be amended by the management in accordance with the company's operation. Amendments take effect once they are reviewed and approved by the Audit Committee, resolved by the Board of Directors and adopted at the shareholders' meeting. If any Director expresses objections on the record or in writing, the Company shall submit the objections to the shareholders' meeting for discussion. The same applies to any amendment made to the Procedures. <u>When submitting the Procedures to the Board of Directors for discussion in accordance with the</u> aforementioned provision, the</p>	<p>Paragraph 2 of the Article is deleted by reference to Article 14-3 of the Securities and Exchange Act. In addition, in accordance with Article 14-5 of the Securities and Exchange Act, the power of Audit Committee includes the establishment or amendment of procedures for significant financial or business actions, e.g. lending funds to other parties. Thus, Paragraphs 2 to 4 are added by reference to Article 6 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

After the Amendment	Before the Amendment	Description
<p><u>Audit Committee members and submitted to the Board of Directors for resolutions.</u> <u>The Procedures may come into force upon the consent of two-thirds of all Directors if the majority of all Audit Committee members does not approve. In such a case, the resolutions of the Audit Committee shall be recorded in the minutes of the Board meeting.</u> <u>All Audit Committee members and all Directors refer to in the preceding paragraph are actual number of persons currently holding those positions.</u></p>	<p><u>opinions of every Independent Director shall be fully considered. Their definite opinions on whether they approve the Procedures and the reasons for disapproval shall be recorded in the minutes of the Board meeting.</u></p>	
<p>Date of establishment of the Procedures: December 30, 2010 First amendment: March 5, 2011 Second amendment: August 24, 2011 Third amendment: June 14, 2013 Fourth amendment: June 17, 2014 Fifth amendment: June 16, 2015 <u>Sixth amendment:</u> <u>June 10, 2019</u></p>	<p>Date of establishment of the Procedures: December 30, 2010 First amendment: March 5, 2011 Second amendment: August 24, 2011 Third amendment: June 14, 2013 Fourth amendment: June 17, 2014 Fifth amendment: June 16, 2015</p>	<p>A new amendment date is added.</p>

[Attachment IX] Comparison Table of Amendments to the "Procedures for Endorsement and Guarantee"

REDWOOD GROUP LTD

Comparison Table of Amendments to the Procedures for Endorsement and Guarantee

After the Amendment	Before the Amendment	Description
<p>Article 4: Amount limits of endorsement and guarantee</p> <p>The total amount of endorsement and guarantee provided by the Company for external parties shall not exceed <u>120 percent</u> of the Company's net worth in the latest financial statements. The amount of endorsement and guarantee provided by the Company for a single entity shall not exceed 20 percent of the Company's net worth in the latest financial statement. However, the amount of endorsement and guarantee between companies in which the Company, directly or indirectly, holds 100 percent of voting shares shall not be subject to the limitation imposed on a single entity.</p>	<p>Article 4: Amount limits of endorsement and guarantee</p> <p>The total amount of endorsement and guarantee provided by the Company for external parties shall not exceed <u>80 percent</u> of the Company's net worth in the latest financial statements. The amount of endorsement and guarantee provided by the Company for a single entity shall not exceed 20 percent of the Company's net worth in the latest financial statement. However, the amount of endorsement and guarantee between companies in which the Company, directly or indirectly, holds 100 percent of voting shares shall not be subject to the limitation imposed on a single entity.</p>	<p>In consideration of the additional bank loans required for the construction of new factory by the Singapore subsidiary and the borrowings shall be endorsed and guaranteed by the Company, the amount limit for external parties is proposed to be adjusted.</p>
<p>Article 9: Information disclosure</p> <p>I. Omitted.</p> <p>II. If the endorsement and guarantee balance meets one of the following criteria, the Company shall make public announcement and file the balance within two days commencing immediately from the date of occurrence:</p> <p>(I) and (II) Omitted.</p> <p>(III) The endorsement and guarantee balance of the Company and its subsidiaries for a single entity exceeds NT\$10</p>	<p>Article 9: Information disclosure</p> <p>I. Omitted.</p> <p>II. If the endorsement and guarantee balance meets one of the following criteria, the Company shall make public announcement and file the balance within two days commencing immediately from the date of occurrence:</p> <p>(I) and (II) Omitted.</p> <p>(III) The endorsement and guarantee balance of the Company and its subsidiaries for a single entity exceeds NT\$10</p>	<p>I. To explicitly define long-term investments, the Company amends Subparagraph 3 of Paragraph 2 in reference to Subparagraph 1 of Paragraph 4 of Article 9 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>II. As endorsement and guarantee are not of a transaction nature, the wording of Subparagraph 4 of Paragraph 2 is amended accordingly.</p>

After the Amendment	Before the Amendment	Description
<p>million, and the sum of endorsement and guarantee, carrying <u>amount</u> of investment <u>accounted</u> for <u>using</u> the <u>equity method</u> and fund lending balance regarding the entity exceed 30 percent of the Company's net worth in the latest financial statement.</p> <p>(IV) Omitted.</p> <p>For the Company's subsidiaries that are not listed in the domestic market and whose endorsement and guarantee meet the preceding criteria, the Company shall make public announcement and file on behalf of the subsidiaries.</p> <p>The date of occurrence specified in the Procedures refers to the date of contract signing, payment date, resolution date of the Board of Directors, or other dates on which the <u>endorsement and guarantee</u> party and amount can be ascertained, whichever is earlier.</p> <p>III. Omitted.</p>	<p>million, and the sum of endorsement and guarantee, <u>long-term</u> investment and fund lending balance regarding the entity exceed 30 percent of the Company's net worth in the latest financial statement.</p> <p>(IV) Omitted.</p> <p>For the Company's subsidiaries that are not listed in the domestic market and whose endorsement and guarantee meet the preceding criteria, the Company shall make public announcement and file on behalf of the subsidiaries.</p> <p>The date of occurrence specified in the Procedures refers to the date of contract signing for the <u>transaction</u>, payment date, resolution date of the Board of Directors, or other dates on which the <u>transaction</u> party and amount can be ascertained, whichever is earlier.</p> <p>III. Omitted.</p>	
<p>Article 11: Implementation and amendment</p> <p>The Procedures are to be amended by the management in accordance with the company's operation. Amendments take effect once they are reviewed and approved by the Audit Committee, resolved by the Board of Directors and adopted at the shareholders' meeting. If any Director expresses objections on the record or in writing, the Company shall submit the objections to the shareholders' meeting for discussion. The same applies to any amendment made to the Procedures.</p>	<p>Article 11: Implementation and amendment</p> <p>The Procedures are to be amended by the management in accordance with the company's operation. Amendments take effect once they are reviewed and approved by the Audit Committee, resolved by the Board of Directors and adopted at the shareholders' meeting. If any Director expresses objections on the record or in writing, the Company shall submit the objections to the shareholders' meeting for discussion. The same applies to any amendment made to the Procedures.</p>	<p>Paragraph 2 of the Article is deleted by reference to Article 14-3 of the Securities and Exchange Act. In addition, in accordance with Article 14-5 of the Securities and Exchange Act, the power of Audit Committee includes the establishment or amendment of procedures for significant financial or business actions, e.g. lending funds to other parties. Thus, Paragraphs 2 to 4 are added by reference to Article 6 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

After the Amendment	Before the Amendment	Description
<p><u>The Company has established an Audit Committee. The establishment and amendment of Procedures for Endorsement and Guarantee shall be approved by the majority of all Audit Committee members and submitted to the Board of Directors for resolutions. The Procedures may come into force upon the consent of two-thirds of all Directors if the majority of all Audit Committee members does not approve. In such a case, the resolutions of the Audit Committee shall be recorded in the minutes of the Board meeting. All Audit Committee members and all Directors refer to in the preceding paragraph are actual number of persons currently holding those positions.</u></p>	<p><u>When submitting the Procedures to the Board of Directors for discussion in accordance with the aforementioned provision, the opinions of every Independent Director shall be fully considered. Their definite opinions on whether they approve the Procedures and the reasons for disapproval shall be recorded in the minutes of the Board meeting.</u></p>	
<p>Date of establishment of the Procedures: December 30, 2010 First amendment: March 5, 2011 Second amendment: August 24, 2011 Third amendment: June 14, 2013 <u>Fourth amendment:</u> <u>June 10, 2019</u></p>	<p>Date of establishment of the Procedures: December 30, 2010 First amendment: March 5, 2011 Second amendment: August 24, 2011 Third amendment: June 14, 2013</p>	<p>A new amendment date is added.</p>

[Attachment X] Comparison Table of Amendments to the "Procedures for Acquisition or Disposal of Assets"

REDWOOD GROUP LTD

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

After the Amendment	Before the Amendment	Description
<p>Article 3: Asset scope</p> <p>I. Omitted.</p> <p>II. Real estate (including land, buildings, and investment property) and equipment.</p> <p>III. Membership certificates.</p> <p>IV. Intangible assets including patents, copyrights, trademarks, and licenses.</p> <p>V. <u>Right-of-use assets.</u></p> <p>VI. Financial institutions' claims (including receivables, bills purchased and discounted, loans, and overdue receivables).</p> <p>VII. Derivative instruments</p> <p>VIII. Assets acquired or disposed of through legal mergers, spin off, acquisitions or transfers of shares.</p> <p>Other significant assets.</p>	<p>Article 3: Asset scope</p> <p>I. Omitted.</p> <p>II. Real estate (including land, buildings, investment property, and <u>land use right</u>) and equipment.</p> <p>III. Membership certificates.</p> <p>IV. Intangible assets including patents, copyrights, trademarks, and licenses.</p> <p>V. Financial institutions' claims (including receivables, bills purchased and discounted, loans, and overdue receivables).</p> <p>VI. Derivative instruments</p> <p>VII. Assets acquired or disposed of through legal mergers, spin off, or transfers of shares.</p> <p>Other significant assets.</p>	<p>I. Due to the adoption of the International Financial Reporting Standards (IFRS) 16 - Leases, Subparagraph 5 is added, the scope of right-of-use assets is expanded, and the land use right is moved from Subparagraph 2 to Subparagraph 1.</p> <p>II. Subparagraphs 5 to 8 are renumbered as Subparagraphs 6 to 9.</p>
<p>Article 4: Definition of terms</p> <p>I. Derivative instruments: The term refers to contracts with value derived from <u>specified interest rates, financial instrument prices, commodity prices, foreign exchange rates, price or rate indexes, credit ratings or credit indexes or other variables.</u> Contracts include forward contracts, option contracts, futures contracts, leverage contracts, swap contracts, hybrid contracts</p>	<p>Article 4: Definition of terms</p> <p>I. Derivative instruments: The term refers to contracts with value derived from commodities such as assets, interest rates, foreign exchange rates, indexes or other interests. Contracts include forward contracts, option contracts, futures contracts, leverage contracts, swap contracts and hybrid contracts consisting of the above commodities.</p>	<p>I. The scope of financial instruments under Subparagraph 1 of the Procedures is amended pursuant to the definitions under IFRS 9 - Financial Instruments; and some wordings are revised.</p> <p>II. Amendments to the Company Act released on August 1, 2018 took effect on November 1, 2018. In line with changes in article numbers, "Paragraph 8 of Article 156" under Subparagraph 2 is revised to be "Article</p>

After the Amendment	Before the Amendment	Description
<p>consisting of the above contracts, or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" do not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, and long-term purchase (sale) agreements.</p> <p>II. Assets acquired or disposed of through legal mergers, spin off, acquisitions or transfers of shares: The term means assets acquired or disposed of through legal mergers, spin off or acquisitions pursuant to Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act or other laws; or through issuing new shares as consideration for transfers of shares from other companies pursuant to Article 156-3 of the Company Act (hereinafter referred to as "transfer of shares").</p> <p>III. Related parties and subsidiaries: The terms are determined by "Regulations Governing the Preparation of Financial Reports by Securities Issuers."</p> <p>IV. Professional appraisers: The term means real estate appraisers or others who are legally permitted to engage in real estate and equipment appraisal business.</p>	<p>The term "forward contracts" do not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, and long-term purchase (sale) agreements.</p> <p>II. Assets acquired or disposed of through legal mergers, spin off, acquisitions or transfers of shares: The term means assets acquired or disposed of through legal mergers, spin off or acquisitions pursuant to Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act or other laws; or through issuing new shares as consideration for transfers of shares from other companies pursuant to Paragraph 8 of Article 156 of the Company Act (hereinafter referred to as "transfer of shares").</p> <p>III. Related parties and subsidiaries: The terms are determined by "Regulations Governing the Preparation of Financial Reports by Securities Issuers."</p> <p>IV. Professional appraisers: The term means real estate appraisers or others who are legally permitted to engage in real estate and equipment appraisal business.</p> <p>V. Date of occurrence: The term means the date of contract signing for the transaction, payment date, consignment trade date,</p>	<p>156-3".</p> <p>III. As futures commission merchants operating proprietary trading business, securities investment trust enterprises, and securities investment consulting enterprises possess expertise in marketable securities investments and they often trade marketable securities for hedging purposes or funding requirements, hence they are incorporated into the scope "investment professionals." Also, to streamline the regulations, Point 5 of the supplementary provisions under Order No. Taiwan-Finance-Securities-I-0920001151 issued by the former Securities and Futures Commission, Ministry of Finance on March 21, 2003 is incorporated into the Procedures; and Subparagraph 7 is added in reference to professional institutional investors in Article 3 of the Regulations Governing Offshore Structured Products to explicitly define the scope of investment professionals and abolish the previous provisions.</p> <p>IV. In order to explicitly define the domestic and foreign securities exchanges and OTC venues for companies to comply with, Subparagraphs 8 and 9 are added in reference to Article 5 of the</p>

After the Amendment	Before the Amendment	Description
<p>V. Date of occurrence: The term means the date of contract signing for the transaction, payment date, consignment trade date, transfer date, resolution date of the Board of Directors, or other dates on which the transaction party and amount can be ascertained, whichever is earlier. However, for investments which require competent authority's approval, it shall mean aforementioned dates or the date on which approval letter from the competent authority is received, whichever is earlier.</p> <p>VI. <u>Investments in Mainland China: The term means investments in Mainland China conducted in accordance with the Rules for Governing the Investment or the Technical Cooperation in Mainland China stipulated by Investment Commission, Ministry of Economic Affairs.</u></p> <p>VII. <u>Investment professionals: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, futures commission merchants operating proprietary trading or underwriting business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are incorporated by laws and regulated by the</u></p>	<p>transfer date, resolution date of the Board of Directors, or other dates on which the transaction party and amount can be ascertained, whichever is earlier. However, for investments which require competent authority's approval, it shall mean aforementioned dates or the date on which approval letter from the competent authority is received, whichever is earlier.</p> <p>VI. <u>The term "latest financial statements" used herein refers to the Company's financial statements which are legally and publicly certified or reviewed by Certified Public Accountants (CPAs) before the acquisition or disposal of assets.</u></p>	<p>Regulations Governing Securities Firms Accepting Orders to Trade Foreign Securities and Article 2 of the Regulations Governing Securities Trading on the Taipei Exchange to specify the scope of domestic and foreign securities exchanges and OTC venues.</p>

After the Amendment	Before the Amendment	Description
<p><u>competent financial authorities at their business location.</u></p> <p>VIII. <u>Securities exchanges: 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 its location.</u></p> <p>IX. <u>Over-the-counter (OTC) venue: Domestic OTC venue refers to a venue for trading of securities over the counter specially provided by securities firms 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.</u></p>		
<p>Article 6: The professional appraisers and related appraising personnel from whom the Company obtains appraisal reports and the CPAs, lawyers or securities underwriters from whom the Company acquires opinions <u>shall meet the following requirements:</u></p> <p>I. <u>The person has never been sentenced to imprisonment of one year or above for a violation of the Securities and Exchange Act, the Company Act, the Banking Act, the</u></p>	<p>Article 6: The professional appraisers and related appraising personnel from whom the Company obtains appraisal reports and the CPAs, lawyers or securities underwriters from whom the Company acquires opinions shall not be related parties to the trading parties.</p>	<p>I. To streamline the regulations, Point 4 of the supplementary provisions under Order No. Taiwan-Finance-Securities-I-0920001151 issued by the former Securities and Futures Commission, Ministry of Finance on March 21, 2003 is incorporated into the Procedures. It covers matters requiring attention when a public company engages professional appraisers and related appraising personnel, CPAs, lawyers, or securities underwriters.</p>

After the Amendment	Before the Amendment	Description
<p><u>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 three years have passed since the person has served his/her sentence, the period of probation has expired or the person has been pardoned.</u></p> <p>II. <u>The person shall not be a related party or a related party in substance.</u></p> <p>III. <u>If the Company needs to obtain appraisal reports from two or more professional appraisers, those professional appraisers or appraising personnel cannot be related parties or related parties in substance to each other.</u></p> <p><u>When issuing appraisal reports or opinions, personnel referred to in the preceding paragraph shall comply with the following rules:</u></p> <p>I. <u>Before accepting cases, they shall prudently assess their own professional capabilities, practical experience, and independence.</u></p> <p>II. <u>When auditing cases, they shall carefully plan and carry out adequate procedures in order to form conclusions and issue reports or opinions based on those conclusions. All procedures carried out, data collected, and</u></p>		<p>Also, disqualification of Directors, Supervisors and managers under Subparagraph 4 of Article 53 of the Securities and Exchange Act; and the good faith principle of issuers and the persons in charge under Subparagraph 15 of Paragraph 1 of Article 8 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers are taken into account by adding Subparagraphs 1 to 3 under Paragraph 1 to explicitly define the disqualification of professionals and abolish the previous provisions.</p> <p>II. To clearly define external professionals' responsibilities. Paragraph 2 is added in reference to the assessments, audits and statements associated with opinions issued by CPAs regarding the reasonableness of the appraisal report under Article 9 - Investment Property of the Regulations Governing the Preparation of Financial Reports by Securities Issuers to explicitly define the assessments, audits, and statements associated with professionals issuing appraisal reports or opinions.</p>

After the Amendment	Before the Amendment	Description
<p><u>conclusions drawn shall be fully and accurately documented in the working papers.</u></p> <p>III. <u>The source of data, parameters and information used shall be assessed item-by-item for their comprehensiveness, accuracy, and reasonableness in order to serve as the basis for issuing appraisal reports or opinions.</u></p> <p>IV. <u>A statement shall be issued stating the professional competence and independence of associated personnel, and that the information used is assessed to be reasonable and accurate, and they are in compliance with applicable laws and regulations.</u></p>		
<p>Article 7: Procedures for acquisition or disposal of real estate or equipment</p> <p>I. Assessment and operation procedures The Company's acquisition or disposal of real estate, equipment or <u>right-of-use assets</u> thereof shall be handled in accordance with the real estate, plants, and equipment cycle procedures or level of authority under the Company's internal control system.</p> <p>II. Determination of trading terms and authorization limit</p> <p>(I) To acquire or dispose of real estate, equipment or <u>right-of-use</u> assets thereof, the Company</p>	<p>Article 7: Procedures for acquisition or disposal of real estate or equipment</p> <p>I. Assessment and operation procedures The Company's acquisition or disposal of real estate and equipment shall be handled in accordance with the real estate, plants, and equipment cycle procedures or level of authority under the Company's internal control system.</p> <p>II. Determination of trading terms and authorization limit</p> <p>(I) To acquire or dispose of real estate and equipment, the Company shall refer to the publicly announced current value, assessed</p>	<p>1. The right-of-use assets are incorporated into this Article due to the adoption of IFRS 16 - Leases.</p> <p>2. Government agencies under Paragraph 4 refer to central and local government agencies in the Republic of China. As transactions with central and local government agencies in the Republic of China shall undergo open tenders or bidding, the possibility of price manipulation is low. Thus, opinions from professionals are not required. Whereas transactions with foreign government agencies, as relevant rules and price negotiation mechanism are less definite, opinions from professionals are required. Therefore, Paragraph 4 is amended to explicitly confine government agencies to domestic ones.</p>

After the Amendment	Before the Amendment	Description
<p>shall refer to the publicly announced current value, assessed value, actual trading price of neighboring real estate, etc. to determine the trading terms and price and submit an analysis report to the Chairman. Trading amounts equal to or below 20 percent of the paid-in capital or NT\$100 million, whichever is lower, shall be submitted to the Chairman for approval in accordance with the authorization rules. Amounts exceeding 20 percent of the paid-in capital or NT\$100 million, whichever is lower, shall be approved by the Board of Directors.</p> <p>(II) Acquisition or disposal of <u>real estate, equipment or right-of-use assets</u> thereof shall be implemented in any of the following methods: inquiry, bidding, price negotiation or tendering. Amounts equal to or below NT\$50 million shall be submitted to the Chairman for approval in accordance with the level of authority. Amounts exceeding NT\$50 million shall be approved by the Board of Directors.</p> <p>III. Implementation departments Once approved in accordance with the aforementioned level of authority, the Company's acquisition or disposal of real estate, equipment or <u>right-of-use assets</u> thereof shall be implemented by the user departments and</p>	<p>value, actual trading price of neighboring real estate, etc. to determine the trading terms and price and submit an analysis report to the Chairman. Trading amounts equal to or below 20 percent of the paid-in capital or NT\$100 million, whichever is lower, shall be submitted to the Chairman for approval in accordance with the authorization rules. Amounts exceeding 20 percent of the paid-in capital or NT\$100 million, whichever is lower, shall be approved by the Board of Directors.</p> <p>(II) Acquisition or disposal of equipment shall be implemented in any of the following methods: inquiry, bidding, price negotiation or tendering. Amounts equal to or below NT\$50 million shall be submitted to the Chairman for approval in accordance with the level of authority. Amounts exceeding NT\$50 million shall be approved by the Board of Directors.</p> <p>III. Implementation departments Once approved in accordance with the aforementioned level of authority, the Company's acquisition or disposal of real estate and equipment shall be implemented by the user departments and the Management Department.</p> <p>IV. Appraisal reports for real estate or equipment Regarding the acquisition or disposal of real estate</p>	<p>3. The number of reference articles is adjusted.</p>

After the Amendment	Before the Amendment	Description
<p>the Management Department.</p> <p>IV. Appraisal reports for real estate or equipment</p> <p>Regarding the acquisition or disposal of real estate, equipment or right-of-use assets thereof, except for transactions with domestic government agencies, commissioned construction on own land, commissioned construction on leased land or acquisition or disposal of operating equipment or right-of-use assets thereof, the Company shall obtain an appraisal report produced by a professional appraiser before the date of occurrence and meet the following criteria when the transaction amount exceeds 20 percent of the Company's paid-in capital or NT\$300 million:</p> <p>(I) When a limited price, specific price or special price must be used as a reference for the transaction price due to special circumstances, such transaction shall be approved by a resolution of the Board of Directors. The above procedures shall apply for any subsequent changes in the trading terms.</p> <p>(II) to (V) Omitted.</p> <p>(VI) The calculation of aforementioned transaction amount shall be conducted in accordance with Subparagraph 8 of Paragraph 1 of Article 14. The said "within one year"</p>	<p>and equipment, except for transactions with government agencies, commissioned construction on own land, commissioned construction on leased land or acquisition or disposal of operating equipment, the Company shall obtain an appraisal report produced by a professional appraiser before the date of occurrence and meet the following criteria when the transaction amount exceeds 20 percent of the Company's paid-in capital or NT\$300 million:</p> <p>(I) When a limited price, specific price or special price must be used as a reference for the transaction price due to special circumstances, such transaction shall be approved by a resolution of the Board of Directors. The above procedures shall apply for any changes in the trading terms in the future.</p> <p>(II) to (V) Omitted.</p> <p>(VI) The calculation of aforementioned transaction amount shall be conducted in accordance with Subparagraph 5 of Paragraph 1 of Article 14. The said "within one year" means one year calculated retrospectively from the date of occurrence when assets are acquired or disposed of. The part for which the Company has obtained appraisal reports produced by professional</p>	

After the Amendment	Before the Amendment	Description
<p>means one year calculated retrospectively from the date of <u>transaction</u>. The part for which the Company has obtained appraisal reports produced by professional appraisers or CPA's opinions <u>in accordance with the regulations</u> shall not be included.</p>	<p>appraisers or CPA's opinions shall not be included.</p>	
<p>Article 8: Procedures for acquisition or disposal of marketable securities</p> <p>I. to IV. (II) Omitted.</p> <p>IV. (III) The calculation of aforementioned transaction amount shall be conducted in accordance with Subparagraph 8 of Paragraph 1 of Article 14. The said "within one year" means one year calculated retrospectively from the date of <u>transaction</u>. The part for which the Company has obtained appraisal reports produced by professional appraisers or CPA's opinions <u>in accordance with the regulations</u> shall not be included.</p>	<p>Article 8: Procedures for acquisition or disposal of marketable securities</p> <p>I. to IV. (II) Omitted.</p> <p>IV. (III) The calculation of aforementioned transaction amount shall be conducted in accordance with Subparagraph 5 of Paragraph 1 of Article 14. The said "within one year" means one year calculated retrospectively from the date of occurrence when assets are acquired or disposed of. The part for which the Company has obtained appraisal reports produced by professional appraisers or CPA's opinions shall not be included.</p>	<p>The number of reference articles is adjusted.</p>
<p>Article 9: Procedures for related party transactions</p> <p>I. (I) (Omitted).</p> <p>I. (II) Where the Company acquires or disposes of real estate or <u>right-of-use assets</u> thereof, or assets other than real estate or <u>right-of-use assets</u> thereof from or to a related party and the transaction amount exceeds 20 percent of the Company's paid-in capital, 10 percent of the Company's total</p>	<p>Article 9: Procedures for related party transactions</p> <p>I. (I) (Omitted).</p> <p>I. (II) Where the Company acquires or disposes of real estate or assets other than real estate from or to a related party and the transaction amount exceeds 20 percent of the Company's paid-in capital, 10 percent of the Company's total assets or NT\$300 million, except for the purchase or sale of</p>	<p>I. Government bonds under Paragraph 1 refer to ones issued in the Republic of China. As the credit ratings of domestic central and local government are explicit and easy to access, the procedures of being submitted to the Board of Directors for approval and to the Supervisors for acknowledgement can be exempted. Whereas the credit ratings of foreign governments are</p>

After the Amendment	Before the Amendment	Description
<p>assets or NT\$300 million, except for the purchase or sale of <u>domestic</u> government bonds or bonds with repurchase or resale agreements, or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the following information shall be approved by the Board of Directors before signing the contract and making payments:</p> <ol style="list-style-type: none"> 1. Purpose, necessity, and expected benefits of the asset acquisition or disposal. 2. Reasons for choosing the related party as trading counterparty. 3. Information related to the assessment of reasonableness of preliminary trading terms in accordance with Subparagraphs 4 and 6 of Paragraph 2 of this Article for acquisition of real estate or right-of-use assets thereof from related party. 4. to 8. Omitted. The calculation of aforementioned transaction amount shall be conducted in accordance with Subparagraph 8 of Article 14. The said "within one year" means one year calculated retrospectively from the date of transaction. The part for which the Company has obtained approval from the Board of Directors in accordance with the 	<p>government bonds or bonds with repurchase or resale agreements, or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the following information shall be approved by the Board of Directors before signing the contract and making payments:</p> <ol style="list-style-type: none"> 1. Purpose, necessity, and expected benefits of the asset acquisition or disposal. 2. Reasons for choosing the related party as trading counterparty. 3. Information related to the assessment of reasonableness of preliminary trading terms in accordance with Subparagraphs 1 and 4, Paragraph 3 of this Article for acquisition of real estate from related party. 4. to 8. Omitted. The calculation of aforementioned transaction amount shall be conducted in accordance with Subparagraph 5 of Article 14. The said "within one year" means one year calculated retrospectively from the date of transaction. The part for which the Company has obtained approval from the Board of Directors in accordance with the regulations shall not be included. Regarding the acquisition or disposal of operating equipment between the 	<p>inconsistent, the aforementioned procedures shall still apply. Therefore, the provision is amended to explicitly confine bonds to domestic ones. Also, the right-of-use assets are incorporated into this Article due to the adoption of IFRS 16, Leases; thus, Paragraph 1 is amended for clarification purpose.</p> <ol style="list-style-type: none"> II. The number of reference articles is adjusted. III. Due to overall business planning, there are necessity and needs between a public company and its parent or subsidiaries or between a public company and its subsidiaries who are 100 percent owned, directly or indirectly, by the Company to purchase or lease operating equipment for the whole group and transfer (including trade or sublease) those equipment subsequently, or to lease real estate and later sublease it, and risks associated with those transactions are low. Thus, Paragraph 1 is amended to allow Chairman to approve the acquisition or disposal of operating equipment, right-of-use assets thereof or operating right-of-use assets of real estate first, and some wordings are revised. IV. Paragraphs 1 to 4 are amended due to the adoption of IFRS 16 - Leases. Right-of-use assets of real estate acquired through leasing

After the Amendment	Before the Amendment	Description
<p>regulations shall not be included.</p> <p>Regarding the acquisition or disposal of operating equipment between the Company and its subsidiaries or between subsidiaries <u>whose shares issued or paid-in capital are 100 percent owned, directly or indirectly</u>, by the Company, the Board of Directors may authorize the Chairman to approve beforehand within a certain amount. The Chairman has to report it afterwards for acknowledgement in the latest Board of Directors' meeting.</p> <p>1. <u>Acquisition or disposal of operating equipment or right-of-use assets thereof.</u></p> <p>2. <u>Acquisition or disposal of operating right-of-use assets of real estate.</u></p> <p>When the Company submits the transaction to the Board of Directors for discussion in accordance with the aforementioned provision, the opinions of every Independent Director shall be fully considered. Objections or reservations from Independent Directors shall be recorded in the minutes of the Board meeting.</p> <p>Matters that shall be discussed by the Board of Directors pursuant to Paragraph 1 shall be approved by the majority of all Audit Committee members prior to being submitted to the Board of</p>	<p>Company and its subsidiaries, the Board of Directors may authorize the Chairman to approve beforehand within a certain amount. The Chairman has to report it afterwards for acknowledgement in the latest Board of Directors' meeting.</p> <p>When the Company submits the transaction to the Board of Directors for discussion in accordance with the aforementioned provision, the opinions of every Independent Director shall be fully considered. Objections or reservations from Independent Directors shall be recorded in the minutes of the Board meeting.</p> <p>Matters that shall be discussed by the Board of Directors pursuant to Paragraph 1 shall be approved by the majority of all Audit Committee members prior to being submitted to the Board of Directors for resolutions. They shall be subject to Paragraphs 4 and 5 of Article 17.</p> <p>II. Assessment of reasonableness of transaction cost</p> <p>(I) When acquiring real estate from a related party, the Company shall assess the reasonableness of transaction cost by the following methods:</p> <p>1. to 2. Omitted.</p> <p>(II) When acquiring both land and buildings of the same subject matter, the Company may use one of</p>	<p>from related parties are incorporated to be governed by actions taken when the assessed costs are lower than the transaction prices. Some wordings are revised to be in compliance with legal processes.</p> <p>V. To conform to the actual practice for leasing of real estate such as plants, acquisition of right-of-use assets of real estate from related parties may now impute and estimate the reasonableness of transaction price by referring to leasing transactions of non-related parties in the neighborhood area within one year. In addition, Item 3 of Subparagraph 4 of Paragraph 2 is consolidated to Item 2 and leasing is added to be included as transactions governed for clarification purpose.</p>

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<p>Directors for resolutions. They shall be subject to Paragraphs 4 and 5 of Article 16.</p> <p>II. Assessment of reasonableness of transaction cost</p> <p>(I) When acquiring real estate <u>or right-of-use assets</u> thereof from a related party, the Company shall assess the reasonableness of transaction cost by the following methods: 1. to 2. Omitted.</p> <p>(II) When acquiring <u>or leasing</u> both land and buildings of the same subject matter, the Company may use one of the above methods to assess the transaction cost of land and buildings separately.</p> <p>(III) To acquire real estate <u>or right-of-use assets</u> thereof from a related party, the Company shall assess the cost of real estate <u>or right-of-use assets</u> thereof in accordance with Subparagraphs 1 and 2 of Paragraph 2 of this Article and contact CPAs to review and express specific opinions.</p> <p>(IV) If the value assessed in accordance with Subparagraphs 1 and 2 of Paragraph 2 of this Article is lower than the transaction price, actions shall be taken in accordance with Subparagraphs 5 of Paragraph 2 of this Article. The rule does not apply to the following circumstances with objective evidences and professional real estate</p>	<p>the above methods to assess the transaction cost of land and buildings separately.</p> <p>(III) To acquire real estate from a related party, the Company shall assess the cost of real estate in accordance with Subparagraphs 1 and 2 of Paragraph 2 of this Article, obtain appraisal reports from professional appraisers and contact CPAs to review and express specific opinions.</p> <p>(IV) If the value of the Company's <u>real estate acquisitions from related parties</u> assessed in accordance with Subparagraphs 1 and 2 of Paragraph 2 of this Article is lower than the transaction price, actions shall be taken in accordance with Subparagraphs 5 of Paragraph 2 of this Article. The rule does not apply to the following circumstances with objective evidences and professional real estate appraisers' and CPAs' specific opinions on reasonableness provided: 1. (1) Omitted. 1. (2) Transactions completed by non-related parties within one year involving other floors of the same subject matter or in the neighborhood area with similar land area and equivalent trading terms, after taking into account the reasonable price difference in floor or location according to standard real estate</p>	

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<p>appraisers' and CPAs' specific opinions on reasonableness provided:</p> <ol style="list-style-type: none"> 1. (1) Omitted. 1. (2) Transactions completed by non-related parties within one year involving other floors of the same subject matter or in the neighborhood area with similar land area and equivalent trading terms, after taking into account the reasonable price difference in floor or location according to standard real estate market or leasing practices. 2. The Company provides evidence that the real estate purchased or <u>right-of-use assets of real estate obtained through leasing</u> from a related party has trading terms equivalent to non-related parties' transactions within one year of items with similar land areas in the neighborhood. 3. The said transactions "in the neighborhood" basically refers to those in the same or neighbored street within 500 meters from the subject matter of trading or with similar publicly announced current values. The said "with similar land areas" basically means the land areas of non-related parties' transactions is no less than 50 percent of the subject matter of trading. The said "within one year" means one year calculated retrospectively from the date of occurrence when real estate or <u>right-of-use</u> 	<p>market practices.</p> <ol style="list-style-type: none"> 1. <u>(3) Transactions completed by non-related parties within one year involving leasing of other floors of the same subject matter with equivalent trading terms after taking into account the reasonable price difference in floor according to standard real estate leasing practices.</u> 2. The Company provides evidence that the real estate purchased from a related party has trading terms equivalent to transactions completed by non-related parties within one year of items with similar land areas in the neighborhood. 3. The said transactions completed "in the neighborhood" basically refers to those in the same or neighbored street within 500 meters from the subject matter of trading or with similar publicly announced current values. The said "with similar land areas" basically means the land areas of transaction completed by non-related parties is no less than 50 percent of the subject matter of trading. The said "within one year" means one year calculated retrospectively from the date of occurrence when real estate is acquired. <p>(V) If the value of the Company's real estate acquisitions from related parties assessed in accordance with Subparagraphs 1 and 2 of</p>	

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<p><u>assets</u> thereof is acquired.</p> <p>(V) If the value of the Company's real estate <u>or right-of-use assets</u> thereof acquisitions from related parties assessed in accordance with Subparagraphs 1 to 4 of Paragraph 2 of this Article is lower than the transaction price, the following actions shall be taken:</p> <p>1. In respect of the difference between the transaction price and the assessed cost of the real estate <u>or right-of-use assets</u> thereof, the Company shall recognize a special reserve in accordance with Paragraph 1 of Article 41 of the Securities and Exchange Act. The special reserve shall not be distributed or used for capital increase and issuance of bonus share. <u>If an investor, who accounts for its investment in another company under equity method, is a public company, the special reserve pursuant to Paragraph 1 of Article 41 of the Act shall be recognized in proportion to the shareholding percentage of the investor in the investee company.</u></p> <p>2. to 3. Omitted.</p> <p>Special reserve recognized by the Company in accordance with the preceding provisions may use such reserve upon approvals from competent authority and after assets purchased at a premium or</p>	<p>Paragraph 2 of this Article is lower than the transaction price, the following actions shall be taken:</p> <p>1. In respect of the difference between the transaction price and the assessed cost of the real estate, <u>the Company</u> shall recognize a special reserve in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act. The special reserve shall not be distributed or used for capital increase and issuance of bonus share.</p> <p>2. to 3. Omitted.</p> <p>Special reserve recognized by the Company <u>and public company which accounts for the Company's investment under equity method</u> in accordance with the preceding provisions may use such reserve upon approvals from competent authority and after assets purchased at a premium have recognized losses from decline of market value; been disposed of, compensated appropriately, or restored to original status; or there are other evidences indicating the transaction is not unreasonable.</p> <p>(VI) Regarding the Company's acquisition of real estate from related parties, if any of the following circumstance exists, actions shall be taken in accordance with the provisions <u>related to assessment and operation</u></p>	

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<p>leased have recognized losses from decline of market value, been disposed of, had the lease agreements terminated, been compensated appropriately, or been restored to original status, or there are other evidences indicating the transaction is not unreasonable. <u>Regarding the Company's acquisition of real estate or right-of-use assets thereof from related parties, if there are other evidences showing non-compliance of business practices, actions shall be taken in accordance with provisions in the preceding subparagraphs.</u></p> <p>(VI) Regarding the Company's acquisition of real estate or right-of-use assets thereof from related parties, if any of the following circumstance exists, actions shall be taken in accordance with the provisions in Paragraph 1 of this Article and the provisions in Subparagraphs 1, 2, and 3 of Paragraph 2 of this Article are not applicable:</p> <ol style="list-style-type: none"> 1. The related party acquired real estate or right-of-use assets thereof by inheritance or gift. 2. More than five years have passed from the time the related party signed the acquisition contract of real estate or right-of-use assets thereof to the date of this transaction. 3. Omitted 4. Acquisition of operating right-of-use assets of real 	<p><u>procedures in Paragraphs 1 and 2 of this Article, and the provisions related to assessment of reasonableness of transaction cost in Subparagraphs 1, 2, and 3 of Paragraph 2 of this Article are not applicable:</u></p> <ol style="list-style-type: none"> 1. The related party acquired real estate by inheritance or gift. 2. More than five years have passed from the time the related party signed the acquisition contract of real estate to the date of this transaction. 3. Omitted <p>(VII) <u>Regarding the Company's acquisition of real estate from related parties, if there are other evidences showing non-compliance of business practices, actions shall be taken in accordance with provisions in Subparagraph 5 of Paragraph 2 of this Article.</u></p>	

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<p>estate between the Company and its subsidiaries or between subsidiaries whose shares issued or paid-in capital are 100 percent owned, directly or indirectly, by the Company.</p>		
<p>Article 10: Procedures for acquisition or disposal of intangible assets <u>or right-of-use assets thereof, or membership certificates</u></p> <p>I. Assessment and operation procedures Regarding the acquisition or disposal of intangible assets or right-of-use assets thereof, or membership certificates, the Company shall refer to the professionals' appraisal reports or the market's fair value in determining the trading terms and price and submit an analysis report to the Chairman. The following is omitted.</p> <p>II. Implementation departments After approved in accordance with the aforementioned level of authority, the Company's acquisition or disposal of intangible assets <u>or right-of-use assets</u> thereof, or membership certificates shall be implemented by the user departments and the Finance Department.</p> <p>III. Professionals' appraisal and opinion reports for membership certificates or intangible assets (I) and (II) Omitted. (III) Where the transaction amount of the Company's acquisition or disposal of</p>	<p>Article 10: Procedures for acquisition or disposal of intangible assets</p> <p>I. Assessment and operation procedures Regarding the acquisition or disposal of intangible assets or membership certificates, the Company shall refer to the professionals' appraisal reports or the market's fair value in determining the trading terms and price and submit an analysis report to the Chairman. The following is omitted.</p> <p>II. Implementation departments After approved in accordance with the aforementioned level of authority, the Company's acquisition or disposal of <u>membership certificates</u> or intangible assets shall be implemented by the user departments and the Finance Department.</p> <p>III. Professionals' appraisal reports for membership certificates or intangible assets (I) and (II) Omitted. (III) Where the transaction amount of the Company's acquisition or disposal of <u>membership certificates</u> or intangible assets exceeds 20 percent of the Company's paid-in</p>	<p>I. Government agencies under Paragraph 3 refer to central and local government agencies in the Republic of China. As transactions with central and local government agencies in the Republic of China shall undergo open tenders or bidding, the possibility of price manipulation is low. Thus, opinions from professionals are not required. Whereas transactions with foreign government agencies, as relevant rules and price negotiation mechanism are less definite, opinions from professionals are required. Therefore, Paragraph 3 is amended to explicitly confine government agencies to domestic ones.</p> <p>II. Some wordings are revised.</p>

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<p>intangible assets or <u>right-of-use assets</u> thereof, or membership certificates exceeds 20 percent of the Company's paid-in capital or NT\$300 million, except for transactions with <u>domestic</u> government agencies, the Company shall contact CPAs to express an opinion on the reasonableness of the transaction price before the day of occurrence. The CPAs shall take actions in accordance with Auditing Standards No. 20 published by Accounting Research and Development Foundation.</p> <p>(IV) The calculation of aforementioned transaction amount shall be conducted in accordance with Subparagraph 8 of Paragraph 1 of Article 14. The said "within one year" means one year calculated retrospectively from the date of <u>transaction</u>. The part for which the Company has obtained appraisal reports produced by professional appraisers or CPA's opinions in accordance with the regulations shall not be included.</p>	<p>capital or NT\$300 million, except for transactions with government agencies, the Company shall contact CPAs to express an opinion on the reasonableness of the transaction price before the day of occurrence. The CPAs shall take actions in accordance with Auditing Standards No. 20 published by Accounting Research and Development Foundation.</p> <p>(IV) The calculation of aforementioned transaction amount shall be conducted in accordance with Subparagraph 5 of Paragraph 1 of Article 14. The said "within one year" means one year calculated retrospectively from the date of occurrence when assets are acquired or disposed of. The part for which the Company has obtained appraisal reports produced by professional appraisers or CPA's opinions shall not be included.</p>	
<p>Article 13: Procedures for merger, spin off, acquisition or transfer of shares</p> <p>(I) For mergers, spin off, acquisitions or transfer of shares, before convening the Board of Directors' meeting for resolution, the Company shall appoint CPAs, lawyers or underwriters to express</p>	<p>Article 13: Procedures for merger, spin off, acquisition or transfer of shares</p> <p>I. <u>Assessment and operation procedures</u></p> <p>(I) For mergers, spin off, acquisitions or transfer of shares, the Company <u>shall appoint lawyers, CPAs, and underwriters to jointly propose a schedule for</u></p>	<p>Provisions are renumbered and some wordings are revised.</p>

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<p>their opinions regarding the reasonableness of stock conversion ratio, acquisition price or cash or other assets allotted to shareholders and submit those to the Board for discussion and approval. Opinions on reasonableness from the aforesaid professionals are not required when the Company merges a subsidiary whose shares issued or paid-in capital are 100 percent owned, directly or indirectly, by the Company or the merger occurs between subsidiaries whose shares issued or paid-in capital are 100 percent owned, directly or indirectly, by the Company.</p> <p>(II) Omitted.</p> <p>(III) ...The public or OTC companies participating in the merger, spin off, acquisition or transfer of shares shall sign an agreement with non-public or non-OTC companies in the project and actions shall be taken in accordance with the provisions in the preceding two Paragraphs.</p> <p>(IV) All personnel who participate in or are aware of the merger, spin off, acquisition or transfer of shares of the company shall sign the written confidentiality agreements. Before information become public, they shall neither disclose the project contents nor buy or sell, in their own name or other's,</p>	<p><u>legal procedures and organize a task force to implement in accordance with legal procedures.</u></p> <p>Before convening the Board of Directors' meeting for resolution, the Company shall appoint CPAs, lawyers or underwriters to express their opinions regarding the reasonableness of stock conversion ratio, acquisition price or cash or other assets allotted to shareholders and submit those to the Board for discussion and approval. Opinions on reasonableness from the aforesaid professionals are not required when the Company merges a subsidiary whose shares issued or paid-in capital are 100 percent owned, directly or indirectly, by the Company or the merger occurs between subsidiaries whose shares issued or paid-in capital are 100 percent owned, directly or indirectly, by the Company.</p> <p>(II) Omitted.</p> <p>II. <u>Other matters to be noted</u></p> <p>(I) <u>The date of the Board of Directors' meeting:</u></p> <p>(III) ...The public or OTC companies participating in the merger, spin off, acquisition or transfer of shares shall sign an agreement with non-public or non-OTC companies in the project and actions shall be taken in accordance with Paragraphs 3 and 4.</p> <p>(IV) <u>The signing of prior confidentiality agreement:</u></p>	

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<p>the shares and other equity-type marketable securities of any of the companies associated with the merger, spin off, acquisition or transfer of shares.</p> <p>(V) For merger, spin off, or transfer of shares, stock conversion ratio or acquisition price cannot be changed arbitrarily except for the following circumstances <u>and conditions for change shall be stipulated in the merger, spin off, or transfer of shares contract:</u></p> <p>1. to 6. Omitted.</p> <p>(VI) When <u>the Company participates in merger, spin off, acquisition or transfer of shares, the contracts shall explicitly state the rights and obligations of companies participating in the merger, spin off, acquisition or transfer of shares and shall contain the following items:</u></p> <p>1. to 6. Omitted.</p> <p>(VII) <u>If one of the companies participating in the merger, spin off, acquisition or transfer of shares intends to merge, spin off, acquire, or transfer shares with other companies after the project is publicly disclosed,</u> unless there is a decrease in the number of companies participating in the merger, spin off, acquisition or transfer of shares and the shareholders' meeting has resolved and delegated the authorization for changes to the Board of Directors,</p>	<p>All personnel who participate in or are aware of the merger, spin off, acquisition or transfer of shares of the company shall sign the written confidentiality agreements. Before information become public, they shall neither disclose the project contents nor buy or sell, in their own name or other's, the shares and other equity-type marketable securities of any of the companies associated with the merger, spin off, acquisition or transfer of shares.</p> <p>(V) <u>Principles for determining and changing the stock conversion ratio or acquisition price: Companies participating in the merger, spin off, acquisition or transfer of shares shall, before the Board of Directors' meetings of both parties, appoint CPAs, lawyers or underwriters to express their opinions regarding the reasonableness of stock conversion ratio, acquisition price or cash or other assets allotted to shareholders. Those opinions would be submitted to the shareholders' meeting.</u> Stock conversion ratio or acquisition price cannot be changed arbitrarily except for the following circumstances:</p> <p>1. to 6. Omitted.</p> <p>(VI) <u>Matters to be included in the contract: In addition to compliance with Article 317-1 of the Company Act</u></p>	

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<p>where the participating companies are not required to convene the shareholders' meeting for resolution again, the procedures or legal actions which have been completed in the original merger, spin off, acquisition or transfer of shares project shall be repeated by all participating companies.</p> <p>(VIII) The Company shall sign an agreement with non-public companies participating in the merger, spin off, acquisition or transfer of shares and take actions in accordance with Subparagraphs <u>3</u>, <u>4</u>, and <u>7</u> of Paragraph 1 of this Article.</p>	<p><u>and Article 22 of the Business Mergers and Acquisitions Act</u>, the contract of the <u>companies</u> participating in the merger, spin off, acquisition or transfer of shares shall contain the following items:</p> <p>1. to 6. Omitted.</p> <p>(VII) <u>Changes in numbers of companies participating in the merger, spin off, acquisition or transfer of shares</u>: Unless there is a decrease in the number of companies participating in the merger, spin off, acquisition or transfer of shares and the shareholders' meeting has resolved and delegated the authorization for changes to the Board of Directors, where the participating companies are not required to convene the shareholders' meeting for resolution again, the procedures or legal actions which have been completed in the original merger, spin off, acquisition or transfer of shares project shall be repeated by all participating companies.</p> <p>(VIII) The Company shall sign an agreement with non-public companies participating in the merger, spin off, acquisition or transfer of shares and take actions in accordance with Subparagraphs <u>1</u>, <u>2</u>, and <u>5</u> of Paragraph 2 of this Article.</p>	
<p>Article 14: Procedures for public disclosure of information</p>	<p>Article 14: Procedures for public disclosure of information</p>	<p>I. With regard to government bonds, as the credit ratings of domestic</p>

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<p>I. For acquisition or disposal of assets, the Company shall make public announcement and file in prescribed format based on the nature of transaction at websites designated by the Financial Supervisory Commission within two days commencing immediately from the date of occurrence if any of the following circumstance exists:</p> <p>(I) Acquisition or disposal of real estate <u>or right-of-use assets</u> thereof from or to a related party or non-real estate assets <u>or right-of-use assets</u> thereof from or to a related party with transaction amount exceeds 20 percent of the Company's paid-in capital, 10 percent of the Company's total assets or NT\$300 million. <u>However</u>, this does not apply to the purchase or sale of <u>domestic government bonds</u> or bonds with repurchase or resale agreements, or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(II) and (III) Omitted.</p> <p>(IV) Acquisition or disposal of assets classified as <u>operating equipment or right-of-use assets</u> thereof from or to a non-related party with transaction amount reaching one of the following thresholds: (1) and (2) Omitted.</p> <p>(V) For companies in the</p>	<p>I. For acquisition or disposal of assets, the Company shall make public announcement and file in prescribed format based on the nature of transaction at websites designated by the Financial Supervisory Commission within two days commencing immediately from the date of occurrence if any of the following circumstance exists:</p> <p>(I) Acquisition or disposal of real estate from or to a related party or non-real estate assets from or to a related party with transaction amount exceeds 20 percent of the Company's paid-in capital, 10 percent of the Company's total assets or NT\$300 million. This does not apply to the purchase or sale of government bonds or bonds with repurchase or resale agreements, or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(II) and (III) Omitted.</p> <p>(IV) Acquisition or disposal of assets <u>classified as operating equipment</u> from or to a non-related party with transaction amount reaching one of the following thresholds: (1) and (2) Omitted.</p> <p>(V) For companies in the construction business, the acquisition or disposal of real estate for construction use from or to a non-</p>	<p>central and local government are explicit and easy to access, the procedures of public announcement can be exempted. Whereas the credit ratings of foreign governments are inconsistent, the aforementioned procedures shall still apply. Therefore, the provision is amended to explicitly confine bonds to domestic ones.</p> <p>II. The right-of-use assets are incorporated into this Article due to the adoption of IFRS 16 - Leases.</p> <p>III. Selling of real estate from a completed self-construction project is conducted in the ordinary course of business for companies in the construction business, and larger-scale constructors' projects can easily reach the public announcement threshold due to their high value. Both factors lead to frequent public announcements. In view of these facts and taking into account the materiality of information disclosure, a new section is added to Subparagraph 5 of Paragraph 1 by reference to the rules governing a company's acquisition or disposal of operating equipment to set a higher threshold for the aforementioned disposal transaction with a non-related party.</p> <p>IV. As public announcement standards for related-party transactions are stipulated in Subparagraph 1 of</p>

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<p>construction business, the acquisition or disposal of real estate <u>or right-of-use assets</u> thereof for construction use from or to a non-related party with transaction amount exceeding NT\$500 million. <u>If such a company has paid-in capital exceeding NT\$10 billion, and it is disposing real estate from a completed self-construction project to a non-related party, the threshold for transaction amount would be NT\$1 billion or more.</u></p> <p>(VI) Real estate acquired by means of contracting others to construct on the Company's own land, contracting others to construct on rented land, distributing housing units in a joint construction project, distributing profit in a joint construction project or selling of housing units separately in a joint construction project <u>from a non-related party</u> with expected investment exceeding NT\$500 million.</p> <p>(VII) Other than the six preceding subparagraphs, any asset transactions, disposals of claims by financial institutions or engagement in investment in Mainland China with transaction amount exceeding 20 percent of the Company's paid-in capital or NT\$300 million. However, the following situations are exceptions:</p> <ol style="list-style-type: none"> 1. Purchase or sale of 	<p>related party with transaction amount exceeding NT\$500 million.</p> <p>(VI) Real estate acquired by means of contracting others to construct on the Company's own land, contracting others to construct on rented land, distributing housing units in a joint construction project, distributing profit in a joint construction project or selling of housing units separately in a joint construction project with expected investment exceeding NT\$500 million.</p> <p>(VII) Other than the six preceding subparagraphs, any asset transactions, disposals of claims by financial institutions or engagement in investment in Mainland China with transaction amount exceeding 20 percent of the Company's paid-in capital or NT\$300 million. However, the following situations are exceptions:</p> <ol style="list-style-type: none"> 1. Purchase or sale of government bonds. 2. Trading of marketable securities in <u>domestic or foreign</u> securities exchanges or OTC markets or subscription of ordinary corporate bonds or general bank debentures without equity characteristics that are offered and issued at the <u>domestic</u> primary market by investment professionals; or subscription of marketable securities by a 	<p>Paragraph 1, Subparagraph 6 of the same Paragraph is used for stipulating criteria of non-related party transactions for companies to comply with. Thus, Subparagraph 6 of Paragraph 1 is amended for clarification purpose.</p> <p>V. Amendments to Item 2 of Subparagraph 7 of Paragraph 1:</p> <p>(I) As trading of marketable securities in domestic or foreign securities exchanges or OTC markets by investment professionals are a part of the ordinary course of business, it easily leads to frequent public announcements. Considering the materiality of information disclosure, those transactions are exempted from public announcements. In addition, to standardize the language used in the Procedures, subject matters or institutions referred to in the Procedures mean both domestic and foreign ones. Thus, the wordings of "domestic" and "foreign" are removed.</p> <p>(II) Investment professionals frequently subscribe ordinary corporate bonds at the foreign primary market and those products have a simple nature. Domestic securities investment trust and future trust enterprises are supervised by the Financial Supervisory</p>

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<p><u>domestic</u> government bonds.</p> <p>2. Trading of marketable securities in securities exchanges or OTC markets or subscription of ordinary corporate bonds or general bank debentures without equity characteristics <u>(excluding subordinated debentures) that are offered and issued at the primary market by investment professionals; or subscription or redemption of securities investment trust funds or futures trust funds, or subscription of marketable securities by a securities firm for underwriting business or as a recommended advisory securities firm for emerging companies in accordance with the rules of the Taipei Exchange.</u></p> <p>3. Omitted</p> <p>(VIII) <u>The transaction amount in the preceding Subparagraph 7 shall be calculated as follows:</u></p> <p>1. to 2. Omitted.</p> <p>3. The cumulative amount of acquisition or disposal of real estate of the same development project <u>or right-of-use assets thereof within one year (the acquisition and disposal amounts shall be accumulated separately).</u></p> <p>4. Omitted</p> <p>(IX) <u>The said "within one year" in the preceding Subparagraph 8 means one year calculated retrospectively from the date of transaction. The</u></p>	<p>securities firm for underwriting business or as a recommended advisory securities firm for emerging companies in accordance with the rules of the Taipei Exchange.</p> <p>3. Omitted</p> <p>(VIII) <u>The transaction amount in the preceding Subparagraph 7 shall be calculated in the following methods. In addition, the said "within one year" means one year calculated retrospectively from the date of occurrence when assets are acquired or disposed of. The part which has been publicly announced in accordance with regulations shall not be included.</u></p> <p>1. to 2. Omitted.</p> <p>3. The cumulative amount of acquisition or disposal of real estate of the same development project within one year (the acquisition and disposal amounts shall be accumulated separately).</p> <p>4. Omitted</p> <p>II. <u>Regarding the deadline for public announcement and filing, if the Company's acquisition or disposal of assets meets the criteria in Paragraph 1 of this Article and the transaction amount meets the criteria for public announcement and filing of this Article, the Company shall make public announcement and file within two days commencing immediately from the date of the</u></p>	<p>Commission and their subscription or redemption of funds offered (excluding offshore funds) are a part of the ordinary course of business for investment professionals. In line with those facts, the provisions are amended to exempt investment professionals from making public announcement for trading of aforementioned marketable securities. Furthermore, as subordinated debentures bear higher risk, it is explicitly stated that they are not included in the ordinary corporate bonds and general bank debentures without equity characteristics referred to herein.</p> <p>VI. Some wordings under Paragraph 2 are revised.</p>

After the Amendment	Before the Amendment	Description
<p><u>part which has been publicly announced in accordance with the Procedures shall not be included.</u></p> <p>II. <u>Deadline and procedures for public announcement and filing</u></p> <p>(I) to (IV) Omitted.</p>	<p><u>occurrence.</u></p> <p>III. <u>Procedures for public announcement and filing</u></p> <p>(I) <u>The Company shall publicly announce and file relevant information at websites designated by the Financial Supervisory Commission.</u></p> <p>(II) to (V) Omitted.</p>	
<p>Article 15: The Company's subsidiaries shall take actions in accordance with the following provisions:</p> <p>I. to II. Omitted</p> <p>III. Where the subsidiary is a non-public company and its asset acquisition or disposal meets the circumstances for public announcement and filing as stipulated in the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies," the Company shall make public announcement and filing on behalf of the subsidiary.</p> <p>IV. Rules on paid-in capital or total assets in the standards for public announcement and filing <u>applicable</u> to the subsidiaries refer to the Company's paid-in capital or total assets.</p>	<p>Article 15: The Company's subsidiaries shall take actions in accordance with the following provisions:</p> <p>I. to II. Omitted</p> <p>III. Where the subsidiary is a non-public company and its asset acquisition or disposal meets the standards for public announcement and filing as stipulated in the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies," the Company shall make public announcement and filing on behalf of the subsidiary.</p> <p>IV. In the subsidiary's standards for public announcement and filing, the said "over 20 percent of the company's paid-in capital or 10 percent of the total assets" refers to the Company's paid-in capital or total assets.</p>	<p>Some wordings are revised to be in compliance with legal processes.</p>
<p>Date of establishment of the Procedures: December 30, 2010</p> <p>First amendment: March 5, 2011</p> <p>Second amendment: August 24, 2011</p> <p>Third amendment: June 18, 2012</p> <p>Fourth amendment: June 17, 2014</p>	<p>Date of establishment of the Procedures: December 30, 2010</p> <p>First amendment: March 5, 2011</p> <p>Second amendment: August 24, 2011</p> <p>Third amendment: June 18, 2012</p> <p>Fourth amendment: June 17, 2014</p>	<p>A new amendment date is added.</p>

After the Amendment	Before the Amendment	Description
Fifth amendment: June 16, 2015 Sixth amendment: June 7, 2017 <u>Seventh amendment:</u> <u>June 10, 2019</u>	Fifth amendment: June 16, 2015 Sixth amendment: June 7, 2017	

[Attachment XI] List of Independent Directors Candidates

Independent Director Candidates	Education	Work Experience	Present Position	Shareholding
Min-chiu Chien	Master of Accounting, Soochow University	<ul style="list-style-type: none"> ● Auditor of Deloitte & Touche ● CPA of Jing Hua Co., CPAs ● Supervisor of Hokuang Optics Co., Ltd. ● Supervisor of UniLite Corporation ● Independent Director of Tat Hong Equipment Service Co., Ltd. ● Supervisor of Taiwan Registered Financial Planners Association ● Adjunct Lecturer of Accounting Research and Development Foundation ● Independent Director of Redwood Group Ltd 	<ul style="list-style-type: none"> ● CPA of ACTION & Co., CPAs ● Responsible Person of ACTION Management Consulting Co., Ltd. ● Adjunct Lecturer of Department of Accounting, Soochow University ● Director of Tax Attorney Association of New Taipei City ● Supervisor of Taiwan Registered Financial Planners Association ● Remuneration Committee Member of HeySong Corporation ● Supervisor of Coho Technology Co., Ltd. ● Managing Supervisor of Taiwan Curio Arts Association 	0 share
Chin-huat Guok	Bachelor of Finance and International Economics, Boston University	<ul style="list-style-type: none"> ● Vice President of Nomura Singapore ● Director of Seed Ventures ● Director and CEO of Wee Poh Ltd ● Independent Director of Singxpress Ltd ● Consultant of JP Nelson Pte Ltd ● Independent Director of Redwood Group Ltd 	<ul style="list-style-type: none"> ● Director of Campbelltown Investment Holdings Pte Ltd ● Director of Campbelltown Asia Pte Ltd ● Chairman of StarHealth Pte Ltd ● Independent Director of Global Palm Resources Holding Ltd ● Independent Director of RE&S Holdings Ltd 	0 share
Chia-shi Lo	Master of Law, Soochow University	<ul style="list-style-type: none"> ● Attorneys-at-law of Tsar & Tsai Law Firm ● Attorneys-at-law of Chen & Lin Attorneys-at-Law ● Attorneys-at-law of Deloitte Legal ● Director of Excalibur International Marine Corp. ● Independent Director of Redwood Group Ltd 	<ul style="list-style-type: none"> ● Chief Attorneys-at-law of Forum, Legal Professionals ● Director of Shin kong Textile Co., Ltd. ● Independent Director of Shin kong Life Insurance Co., Ltd. 	0 share

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