

Redwood Group Ltd
Meeting Minutes of 2020 Annual General Meeting
(Translation)

Time: 9:00 a.m., Monday, June 8, 2020

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

Attendance: 33,843,987 shares represented by shareholders present in person and by proxy, accounting for 67.36% of total outstanding shares (50,242,500)

Attendees: Thong-ming Soh (attendance by video conference), Lee-mui Teh (attendance by video conference), Khay-pin Neo (attendance by video conference), Min-chiu Chien

Attendees without Voting Rights: Lawyer Hung-pin Chang from Lee and Li Attorneys-at-Law, CPA Rich. Chih from Deloitte Taiwan

Acting chairman: Min-chiu Chien

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 2019 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 2019.
(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.

Discussion process: The shareholder account No.2001(attendance number) asked questions about whether the company plans to implement treasure stocks and low stock prices. After the case was explained and answered by the chairman, the shareholder had no other objections.

IV. Proposed Resolutions

- (I) Subject: To adopt the 2019 annual financial statements.
(Proposed by the Board of Directors)
- Explanation: The Company's 2019 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 33,843,987 votes represented by the shareholders present at the meeting, 33,817,306 were affirmative votes (including 32,492,962 votes in an electronic form), and 14,399 were dissenting votes (including 14,399 votes in an electronic form), and 0 invalid vote, and 12,282 abstained or were not exercised (including 12,282 votes in an electronic form). As the affirmative votes accounted for 99.92% of the total votes, the chairman announced that the proposal was passed as an ordinary resolution.
- (II) Subject: To adopt the 2019 earnings distribution.
(Proposed by the Board of Directors)
- Explanation: 1. The Company's audited consolidated net income amounted to NT\$29,761,473 of which NT\$15,524,383 was appropriated as special reserve (i.e. adjustments to accommodate exchange differences on the translation of foreign operations' financial statements) and NT\$1,488,074 was appropriated as special reserve. The earnings available for distribution were NT\$116,658,092. 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 33,843,987 votes represented by the shareholders present at the meeting, 33,817,306 were affirmative votes (including 32,492,962 votes in an electronic form), and 14,399 were dissenting votes (including 14,399 votes in an electronic form), and 0 invalid vote, and 12,282 abstained or were not exercised (including 12,282 votes in an electronic form). As the affirmative votes accounted for 99.92% 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 33,843,987 votes represented by the shareholders present at the meeting, 33,817,306 were affirmative votes (including 32,492,962 votes in an electronic form), and 14,399 were dissenting votes (including 14,399 votes in an electronic form), and 0 invalid vote, and 12,282 abstained or were not exercised (including 12,282 votes in an electronic form). As the affirmative votes accounted for

99.92% 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 "Rules of Procedure for Shareholders' Meeting."
(Proposed by the Board of Directors)

Explanation: In line with changes in laws and regulations, it is proposed to amend the Company's "Rules of Procedure for Shareholders' Meeting." Please refer to Attachment VII for a comparison table of amendments.

Resolution: The chairman ordered that the proposal be voted. Among 33,843,987 votes represented by the shareholders present at the meeting, 33,817,306 were affirmative votes (including 32,492,962 votes in an electronic form), and 14,399 were dissenting votes (including 14,399 votes in an electronic form), and 0 invalid vote, and 12,282 abstained or were not exercised (including 12,282 votes in an electronic form). As the affirmative votes accounted for 99.92% 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 33,843,987 votes represented by the shareholders present at the meeting, 33,816,306 were affirmative votes (including 32,491,962 votes in an electronic form), and 14,399 were dissenting votes (including 14,399 votes in an electronic form), and 0 invalid vote, and 13,282 abstained or were not exercised (including 13,282 votes in an electronic form). As the affirmative votes accounted for 99.91% of the total votes, the chairman announced that the proposal was passed as a special resolution.

VI. Special Motions: None.

VII. Adjournment

Time: 9:18 a.m., June 8, 2020

[Attachment 1] 2019 Business Report

Letter to Shareholders

2019 was a better year to the company despite the overall global market may have said experienced an economic divergence, economies were slowing across the board. The US/China trade wars and uncertainty around Brexit for the European region, while a number of economic indicator alarms were triggered. The 2018-19 personal luxury goods market experienced a 4% growth comparing to a 2% growth in 2017-18. Redwood Group has generated total revenues of NTD1,654 million, with a gross margin of 25.47%.

The company will continue to stay ahead as one of the market leader through process improvements to gain competitive advantages. The company has established oversea subsidiaries to effectively service our clients, such operations will further enhance the business opportunities in those markets. The results are particularly noticeable for our subsidiaries in Japan, Korean and followed by the USA. The company will continue to focus on our core businesses in providing world class fitting-outs services to the luxury retail stores globally. At the same time, with the target completion of the new production facilities in Singapore by mid-2020, the company will be capable of exploring other new luxury market sectors and new business opportunities.

I would like to sincerely thanks our board of directors, giving their supports, guidance and strategic directions to the company in this competitive environment.

We are determined to ensure that our company remain attractive and compelling both with advance production process and projects management capabilities as well as the way we engage with clients through dedicated service and experiences in all projects. We will continue to encourage an innovative and entrepreneurial mindset among our colleagues. We will foster a collaborative and inclusive working environment where talent thrives and sustainability is embedded across all our operations.

In today's uncertain environment, the strength of our agility, creativity and skills of our employees allow us to remain confident in our ability to achieve our long-term ambitions. I am truly grateful for their passion, integrity and commitment.

I. Implementation results of 2019 business plan

(I) Implementation results of business plan

Unit: NT\$1,000

Item	FY2019	
	Amount	%
Operating revenue	1,654,214	100.00%
Operating costs	1,232,846	74.53%
Gross profit	421,368	25.47%
Net operating income	46,232	2.79%
Net income before tax	45,390	2.74%

(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		FY2019	
Cash flows	Operating revenue	1,654,214	
	Gross profit	421,368	
	Net income before tax	45,390	
Profitability	Return on assets (%)	1.99%	
	Return on shareholders' equity (%)	3.20%	
	Percentage of paid-in capital (%)	Net operating income	9.20%
		Net income before tax	9.03%
	Net profit margin (%)	1.80%	
	Earnings per share (NT\$)	0.59	

(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 reduce production defects, making the Company's production services more comprehensive and professional.

II. Summary of 2020 business plan

(I) Business directions

1. Offering quality crafted products and satisfying services at luxury display locations worldwide.
2. Improving project management capabilities and provide customers more comprehensive “one-stop” service.
3. Training technical talents actively.
4. Developing new customers and expanding the scope of service provided for the existing customers to increase market share.
5. Further tighten company costs control to lessen the business impact due to the global coronavirus situation.

(II) Expected market conditions and reasons of forecasts

Market research carried out by Bain & Company in 2019 has initially indicated that the global luxury markets is expected to continue with a positive and progressive growth until 2025. However, with the current global outbreak of the coronavirus, there will certainly be negative impacts to the luxury goods sector. BCG (Boston Consulting Group) survey has indicated the impact could have costs the industry as much as €40 billion in 2020.

(III) Significant production and sales policies

The Group has continued putting efforts with overseas operations to provide better services to our existing client and at the same time exploring new opportunities for business growth. We will continue to review the market conditions and explore other strategic locations in order to become more responsive, add values, offer quality services and commitment to our clients.

III. Future development strategies of the Company

- (I) Developing automated manufacturing processes, improving production efficiency and capacity, and training technical talents.
- (II) Improving project management capabilities and production technologies and providing customers satisfying products and service.
- (III) Expanding new clientele with high growth potential based on the decoration of high-end boutiques.
- (IV) Explore other high-end market sectors for new business opportunities.

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

Unstable macro-economic environment or external business conditions have a certain degree of influence on the global luxury goods market. With countermeasures for downturns and joint efforts from employees and suppliers, Redwood Group continues to perform well. We believe that Redwood Group can achieve outstanding performance in the dire environment and under

competitions when we operate and manage our business well and continuously strengthen 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.

In response to the increasing awareness of corporate social responsibility (CSR) among the global boutiques, Redwood Group ensures compliance with related ethical standards in the production process and obtains recognition from our customers, so as to further enhance our competitive edge and brand value.

Chairman:
Thong-ming Soh

General Manager:
Sheng-chiang Li

Accounting Officer:
Ai-ai Hsiao

[Attachment II] Audit Committee's Approval and Audit Report for 2019

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

The Company's 2019 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 2019 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 2019 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 2019 financial statements approved by the Audit Committee and resolved by the Board of Directors, and the Company's 2019 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 10 The Board meetings convened by the Chairman shall be chaired <u>by the Chairman</u>. However, the first Board meeting of each term shall be convened and chaired by the Director whose ballots represent the most voting rights at the shareholders' meeting. When there are two (2) or more persons with the right to convene, they shall choose one from among themselves.</p> <p><u>In accordance with Paragraph 4, Article 203 or Paragraph 3, Article 203-1 of the Company Act, for Board meetings convened by the majority of Directors, the Directors shall elect one from among themselves to presided the meetings.</u></p> <p>When the Chairman is on leave or for some reasons unable to exercise the power, the Vice Chairman shall serve as a proxy. If there is no Vice Chairman or the Vice Chairman is on leave or for some reasons unable to exercise the power, the Chairman shall appoint a Managing Director to serve as a proxy. If there is no Managing Directors, the Chairman shall appoint one Director to serve as a proxy. If the Chairman does not appoint</p>	<p>Article 10 The Board meetings <u>shall</u> be convened and chaired by the Chairman. However, the first Board meeting of each term shall be convened and chaired by the Director whose ballots represent the most voting rights at the shareholders' meeting. When there are two (2) or more persons with the right to convene, they shall choose one from among themselves. When the Chairman is on leave or for some reasons unable to exercise the power, the Vice Chairman shall serve as a proxy. If there is no Vice Chairman or the Vice Chairman is on leave or for some reasons unable to exercise the power, the Chairman shall appoint a Managing Director to serve as a proxy. If there is no Managing Directors, the Chairman shall appoint one Director to serve as a proxy. If the Chairman does not appoint a proxy, the Directors shall elect one from among themselves.</p>	<p>I. Wordings in Paragraph 1 are revised.</p> <p>II. Paragraph 2 is added in response to the amended Company Act announced on August 1, 2018 to stipulate that when the Board meetings are convened by the majority of Directors (including the first Board meeting of each term convened by the majority of the Directors elected), the Directors shall elect one from among themselves to presided the meetings, as Paragraph 4, Article 203 of the Act state that the first Board meeting of each term may be convened by the majority of the Directors elected; and Paragraph 3, Article 203-1 of the same Act state that the Board meetings may be convened by the majority of Directors.</p> <p>III. The existing Paragraph 2 is moved to Paragraph 3.</p>

After the Amendment	Before the Amendment	Description
<p>a proxy, the Directors shall elect one from among themselves.</p>		
<p>Article 16</p> <p>For agenda items of which the Director or the juridical person the Director represents has a personal interest, the Director shall disclose the major aspects of such personal interest at the current Board meeting. If the interest may impair the interests of the Company, the Director shall state his/her opinions and answer questions. The Director shall recuse himself/herself from discussion and voting. Furthermore, such Director shall not exercise voting right on behalf of another Director.</p> <p><u>The Director is deemed to have a personal interest when his/her spouse or blood relatives within the second degree of kinship, or a company which has a controlling or subordinate relation with the Director, having personal interests in agenda items of the preceding paragraph.</u></p> <p>With respect to the resolutions at the Board meetings, when a Director is prohibited from exercising the voting right pursuant to the preceding two paragraphs, <u>the provisions of Paragraph 2, Article 180 of the Company Act apply mutatis mutandis pursuant to Paragraph 4, Article 206 of the same Act</u></p>	<p>Article 16</p> <p>For agenda items of which the Director or the juridical person the Director represents has a personal interest, the Director shall disclose the major aspects of such personal interest at the current Board meeting. If the interest may impair the interests of the Company, the Director shall state his/her opinions and answer questions. The Director shall recuse himself/herself from discussion and voting. Furthermore, such Director shall not exercise voting right on behalf of another Director.</p> <p>With respect to the resolutions at the Board meetings, when a Director is prohibited from exercising the voting right pursuant to the preceding paragraph, <u>his/her voting right shall not be included in the voting rights of attending Directors.</u></p>	<p>I. Paragraph 2 is added in response to Paragraph 3, Article 206 of the amended Company Act announced on August 1, 2018 to stipulate that a Director is deemed to have a personal interest when his/her spouse or blood relatives within the second degree of kinship, or a company which has a controlling or subordinate relation with him/her, having personal interests in the meetings' agenda items.</p> <p>II. The existing Paragraph 2 is moved to Paragraph 3. Also, in line with the amended Company Act announced on August 1, 2018, the number of reference article is adjusted where Paragraph 3, Article 206 of the Company Act is changed to Paragraph 4.</p>
<p>Date of establishment of the</p>	<p>Date of establishment of the</p>	<p>A new amendment date is</p>

After the Amendment	Before the Amendment	Description
Rules: December 30, 2010 First amendment: March 3, 2011 Second amendment: March 20, 2012 Third amendment: June 18, 2012 Fourth amendment: September 5, 2012 Fifth amendment: December 22, 2014 Sixth amendment: November 14, 2017 Seventh amendment: March 20, 2019 <u>Eighth amendment</u> <u>March 19, 2020</u>	Rules: December 30, 2010 First amendment: March 3, 2011 Second amendment: March 20, 2012 Third amendment: June 18, 2012 Fourth amendment: September 5, 2012 Fifth amendment: December 22, 2014 Sixth amendment: November 14, 2017 Seventh amendment: March 20, 2019	added.

[Attachment IV] 2019 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, 2019 and 2018, 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, 2019 and 2018, 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, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2019 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 \$1,654,214 thousand for the year ended December 31, 2019, 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, fluctuation of construction materials, adjustments to construction schedules, and management's significant judgement. Furthermore, the calculation of percentage of completion of construction is significant with regard to revenue recognition; therefore, we identified the estimation of unfinished construction cost to be a key audit matter.

By understanding the industry and economic environment, we tested the related internal controls, and the main audit procedures that we performed were the following:

1. We sampled the construction proposals and examined its estimation sheet of construction cost and the amount of estimated materials, labor and manufacturing expenses in accordance with the estimated total cost of the proposal.
2. We sampled the construction proposals, examined and matched the unit cost with its construction cost in the estimation sheet with the latest purchasing unit cost in similar proposals.
3. We verified that the percentage of the actual cost input was accounted for the estimated total cost and compared it with the completion of construction in progress approved by the owner to evaluate the rationality of estimated total cost. If there is any difference, we obtained a statement from management and verified the rationality.
4. We sampled the construction proposals, examined its manufacturing cost in its estimated cost sheet. We also verified the estimated cost based on the quotation obtained from the supplier and matched them with the quotation for consistency.

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

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 19, 2020

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, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

ASSETS	2019		2018	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 296,210	16	\$ 353,259	21
Contract assets - current (Note 20)	202,926	11	159,901	10
Trade receivables (Notes 8 and 26)	210,736	12	347,679	21
Other receivables (Notes 8 and 26)	2,069	-	193	-
Other receivables from related parties (Notes 8, 26 and 27)	61	-	59	-
Inventories (Note 9)	86,381	5	59,270	3
Current tax assets (Note 22)	23,628	1	29,939	2
Prepayments (Notes 14 and 26)	53,014	3	47,915	3
Other current assets (Note 14)	3,291	-	4,499	-
Total current assets	<u>878,316</u>	<u>48</u>	<u>1,002,714</u>	<u>60</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Note 7)	43,557	2	92,092	6
Property, plant and equipment (Notes 11 and 28)	855,857	46	508,874	30
Right-of-use assets (Notes 12 and 28)	53,231	3	-	-
Deferred tax assets (Note 22)	1,935	-	1,959	-
Prepayment for lease - non-current (Note 13)	-	-	45,455	3
other non-current assets (Notes 14 and 26)	12,984	1	16,424	1
Total non-current assets	<u>967,564</u>	<u>52</u>	<u>664,804</u>	<u>40</u>
TOTAL	<u>\$ 1,845,880</u>	<u>100</u>	<u>\$ 1,667,518</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 15)	\$ 99,322	6	\$ 143,872	9
Contract liabilities-current (Note 20)	91,878	5	104,903	6
Trade payables (Notes 16 and 26)	170,180	9	160,378	10
Trade payables to related parties (Notes 16, 26 and 27)	1,179	-	22	-
Lease liabilities - current (Note 12)	5,861	-	-	-
Other payables (Notes 17 and 26)	151,629	8	120,863	7
Other payables to related parties (Notes 17, 26 and 27)	-	-	1,554	-
Current tax liabilities (Note 22)	11,797	1	15,932	1
Current portion of long-term borrowings (Note 15)	56,772	3	58,486	3
Other current liabilities (Note 17)	314	-	1,351	-
Total current liabilities	<u>588,932</u>	<u>32</u>	<u>607,361</u>	<u>36</u>
NON-CURRENT LIABILITIES				
Lease liabilities - non-current (Note 12)	2,397	-	-	-
Long-term borrowings (Note 15)	321,556	18	101,799	6
Deferred tax liabilities (Note 22)	20,001	1	12,211	1
Total non-current liabilities	<u>343,954</u>	<u>19</u>	<u>114,010</u>	<u>7</u>
Total liabilities	<u>932,886</u>	<u>51</u>	<u>721,371</u>	<u>43</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)				
Share capital - ordinary shares	502,425	27	502,425	30
Capital surplus	293,911	16	293,911	18
Retained earnings				
Special reserve	235,380	13	244,592	14
Unappropriated earnings	133,672	7	94,699	6
Total retained earnings	<u>369,052</u>	<u>20</u>	<u>339,291</u>	<u>20</u>
Other equity				
Exchange differences on translation of foreign financial statements	(193,842)	(11)	(178,644)	(11)
Unrealized gain on financial assets of fair value through other comprehensive income	(58,552)	(3)	(10,836)	-
Total other equity	<u>(252,394)</u>	<u>(14)</u>	<u>(189,480)</u>	<u>(11)</u>
Treasury shares	-	-	-	-
Total equity attributable to owners of the Company	<u>912,994</u>	<u>49</u>	<u>946,147</u>	<u>57</u>
TOTAL	<u>\$ 1,845,880</u>	<u>100</u>	<u>\$ 1,667,518</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, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE (Note 20)				
Construction revenue	\$ 1,654,214	100	\$ 1,506,228	100
OPERATING COSTS (Note 21)				
Construction costs	<u>(1,232,846)</u>	<u>(74)</u>	<u>(1,176,203)</u>	<u>(78)</u>
GROSS PROFIT	<u>421,368</u>	<u>26</u>	<u>330,025</u>	<u>22</u>
OPERATING EXPENSES (Notes 21 and 27)				
Selling and marketing expenses	(9,500)	(1)	(8,801)	-
General and administrative expenses	(360,202)	(22)	(345,301)	(23)
Expected credit (loss) gain	<u>(5,434)</u>	<u>-</u>	<u>17,772</u>	<u>1</u>
Total operating expenses	<u>(375,136)</u>	<u>(23)</u>	<u>(336,330)</u>	<u>(22)</u>
PROFIT FROM OPERATIONS	<u>46,232</u>	<u>3</u>	<u>(6,305)</u>	<u>-</u>
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 27)				
Other income	9,152	1	7,886	-
Other gains and losses	(2,103)	-	(6,728)	-
Finance costs	<u>(7,891)</u>	<u>(1)</u>	<u>(11,711)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>(842)</u>	<u>-</u>	<u>(10,553)</u>	<u>(1)</u>
PROFIT (LOSS) BEFORE INCOME TAX	45,390	3	(16,858)	(1)
INCOME TAX EXPENSE (Note 22)	<u>(15,629)</u>	<u>(1)</u>	<u>(7,625)</u>	<u>-</u>
NET PROFIT (LOSS) FOR THE YEAR	<u>29,761</u>	<u>2</u>	<u>(24,483)</u>	<u>(1)</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	(47,716)	(3)	(7,229)	-
Exchange differences arising on translation to the presentation currency	(5,535)	-	979	-

(Continued)

REDWOOD GROUP LTD AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statement of foreign operations	\$ (9,663)	(1)	\$ 8,233	-
Other comprehensive income (loss) for the year, net of income tax	(62,914)	(4)	1,983	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>\$ (33,153)</u>	<u>(2)</u>	<u>\$ (22,500)</u>	<u>(1)</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	<u>\$ 29,761</u>	<u>2</u>	<u>\$ (24,483)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:				
Owners of the Company	<u>\$ (33,153)</u>	<u>(2)</u>	<u>\$ (22,500)</u>	<u>(1)</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 0.59</u>		<u>\$ (0.49)</u>	
Diluted	<u>\$ 0.59</u>		<u>\$ (0.49)</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, 2019 AND 2018
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company				Other Equity		Treasury Shares	Total Equity
	Share (In Thousand)	Capital Surplus	Retained Earnings		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Exchange Differences on Translating the Financial Statements of Foreign Operations		
		Special Reserve	Unappropri- ated Earnings					
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)
Net loss for the year ended December 31, 2018	-	-	-	(24,483)	-	-	-	(24,483)
Other comprehensive income (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
Appropriation of 2018 earnings								
Special reserve	-	-	(9,212)	9,212	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-
Net profit for the year ended December 31, 2019	-	-	-	29,761	-	-	-	29,761
Other comprehensive loss for the year ended December 31, 2019, net of income tax	-	-	-	-	(47,716)	(15,198)	-	(62,914)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	29,761	(47,716)	(15,198)	-	(33,153)
BALANCE AT DECEMBER 31, 2019	\$ 502,425	\$ 293,911	\$ 235,380	\$ 133,672	\$ (58,552)	\$ (193,842)	\$ -	\$ 912,994

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, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 45,390	\$ (16,858)
Adjustments for:		
Depreciation expenses	72,185	65,997
Expected credit loss recognized (reversed) on trade receivables	5,434	(17,772)
Finance costs	7,891	11,711
Interest income	(859)	(1,037)
Write-downs of inventories	-	485
Reversal of write-downs of inventories	(1,047)	-
Net (gain) loss on foreign currency exchange	(6,301)	4
Gain on disposal of property, plant and equipment	(694)	(874)
Amortization of prepayments for leases	-	1,475
Changes in operating assets and liabilities		
Contracts assets	(43,025)	67,891
Trade receivables	131,662	(6,948)
Other receivables	(1,878)	269
Inventories	(25,826)	9,685
Prepayments	(1,195)	12,212
Other current assets	1,208	10,791
Contracts liabilities	(13,025)	46,771
Trade payables	10,959	(49,867)
Other payables	(9,672)	4,751
Other current liabilities	(1,037)	(4,935)
Other non-current assets	-	(94)
Cash generated from operations	170,170	133,657
Interest paid	(7,455)	(11,711)
Income taxes paid	(5,368)	(37,616)
Net cash generated from operating activities	<u>157,347</u>	<u>84,330</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(389,405)	(82,603)
Proceeds from disposal of property, plant and equipment	14,676	2,071
Increase in refundable deposits	(1,426)	-
Decrease in refundable deposits	-	382
Decrease in long-term receivables	-	9,250
Decrease in other current assets	2	-
Increase in prepayments for equipment	(659)	(4,977)
Increase in prepayments for leases	-	(48,549)
Interest received	859	1,037
Net cash used in investing activities	<u>(375,953)</u>	<u>(123,389)</u>

(Continued)

REDWOOD GROUP LTD AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ -	\$ 121,047
Repayments of short-term borrowings	(44,550)	-
Proceeds from long-term borrowings	276,529	66,660
Repayments of long-term borrowings	(58,486)	(62,217)
Repayment of the principal portion of lease liabilities	(8,793)	-
Dividends paid to owners of the Company	<u>-</u>	<u>(85,413)</u>
Net cash generated from (used in) financing activities	<u>164,700</u>	<u>40,077</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(3,143)</u>	<u>3,447</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(57,049)	4,465
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>353,259</u>	<u>348,794</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 296,210</u>	<u>\$ 353,259</u>

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

[Attachment V] 2019 Annual Statement of Deficit Compensation

Redwood Group Ltd
Annual Statement of Earnings Distribution Table
FY2019

Unit: NT\$

Item	Amount	
	Subtotal	Total
Unappropriated earnings, beginning of period		\$103,909,076
Add: Net income after tax for the year	29,761,473	
Minus: Appropriation of special reserve (Including adjustment to accommodate exchange differences in the financial statements of foreign operations)	(15,524,383)	
Minus : 5% special reserve	(1,488,074)	12,749,016
Unappropriated earnings, end of period		116,658,092

Note1: In accordance with Article 34.6 of the Articles of Association of the Company, dividends would not be distributed this year as the earnings of NT\$12,749,016 would be operating reserve.

Note2: 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
2. The Registered Office of the Company shall be at the offices of <u>Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005</u> , Cayman Islands, or at such other place within the Cayman Islands as the Board may from time to time decide.	2. The Registered Office of the Company shall be at the offices of <u>Elian Fiduciary Services (Cayman) Limited, 89 Nexus Way, Camana Bay, Grand Cayman KY1-9007</u> , Cayman Islands, or at such other place within the Cayman Islands as the Board may from time to time decide.	This Article is amended to reflect the new registered Office of the Company in the Cayman Islands.
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 (2020 Revision) or as the same may be revised from time to time, or any other laws of the Cayman Islands.	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.	This Article is amended to reflect the new revision of Companies Law of Cayman Islands.

2. Article of Association

Proposed Amendment	Original Article	Reason for Amendment
1.1 In the Articles Table A in the First Schedule to the Statute does not apply and, unless there is something in the subject or context inconsistent therewith: Omitted <u>"Dissenting Member"</u> has the meaning given thereto in Article 21.2;	1.1 In the Articles Table A in the First Schedule to the Statute does not apply and, unless there is something in the subject or context inconsistent therewith: Omitted <u>New Definition</u>	This Article is amended to add the definitions of "Dissenting Member", "Share Exchange" and "Spin-off" pursuant to the revised

<p>Omitted</p> <p>"Member" <u>means a person registered in the Register of Members as a holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires.</u></p> <p>Omitted</p> <p><u>"Share Exchange"</u> <u>a 100% share exchange as defined in the ROC Business Mergers and Acquisitions Act whereby a company (the "Acquiring Company") acquiring all the issued and outstanding shares of another company with the consideration being the shares of the Acquiring Company, cash or other assets;</u></p> <p>Omitted</p>	<p>Omitted</p> <p>"Member" <u>has the same meaning as in the Statute.</u></p> <p>Omitted</p> <p><u>New Definition</u></p> <p>Omitted</p>	<p>Shareholders' Rights Protection Checklist published by the Taipei Exchange on January, 8 2020. Also, this Article is amended to clarify the definition of "Member" and reflected the new revision of Companies Law of Cayman Islands.</p>
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<p>"Spin-off"</p> <p>a spin-off as defined in the ROC Business Mergers and Acquisitions Act whereby a company transfers a part or all of its business that may be operated independently to an existing company or newly incorporated company (the "Acquirer") with the consideration being the shares of the Acquirer, cash or other assets;</p> <p>"Statute"</p> <p>means the Companies Law (2020 Revision) of the Cayman Islands and every modification, re-enactment or revision thereof for the time being in force.</p> <p>Omitted</p>	<p><u>New Definition</u></p> <p>"Statute"</p> <p>means the Companies Law (2016 Revision) of the Cayman Islands and every modification, re-enactment or revision thereof for the time being in force.</p> <p>Omitted</p>	
<p>2.3 Where the Company increases its issued share capital by issuing new Shares for cash consideration in the ROC, the Company shall allocate 10% of the total amount of the new Shares to be issued, for public offering in the ROC, unless it is deemed as either unnecessary or inappropriate, as determined by the FSC or the TPEX (as applicable) for the Company to conduct the aforementioned public offering or otherwise provided by applicable laws. Any percentage higher than the aforementioned 10% as resolved by a general meeting for public offering in the</p>	<p>2.3 Where the Company increases its issued share capital by issuing new Shares for cash consideration in the ROC, the Company shall allocate 10% of the total amount of the new Shares to be issued, for public offering in the ROC, unless it is deemed as either unnecessary or inappropriate by the FSC or TPEX for the Company to conduct the aforementioned public offering. Any percentage higher than the aforementioned 10% as resolved by a general meeting for public offering in the ROC shall prevail. The Company may also reserve up to 15% of the total</p>	<p>This Article is amended to clarify and expand the application of the law in the ROC.</p>

<p>ROC shall prevail. The Company may also reserve up to 15% of the total amount of such newly issued Shares for subscription by the employees of the Company and its Subsidiaries.</p>	<p>amount of such newly issued Shares for subscription by the employees of the Company and its Subsidiaries.</p>	
<p>2.4 Unless otherwise resolved by the Members at a general meeting by Ordinary Resolution, where the Company increases its issued share capital by issuing new Shares for cash consideration, the Company shall make a public announcement and notify each Member that he is entitled to exercise a pre-emptive right to purchase his pro rata portion of the remaining new Shares (after allocation of the public offering portion and the employee subscription portion in Article 2.3) issued in the capital increase for cash consideration. The Company shall state in such announcement and notices to the Members <u>the procedures for exercising such pre-emptive rights</u>. In the event that the number of Shares held by a Member is insufficient for such Member to exercise the pre-emptive right to subscribe one newly-issued Share, Shares held by several Members may be calculated together for joint subscription of newly-issued Shares or for subscription of newly-issued Shares in the name of a single Member in such manner as is consistent with the Applicable Public Company Rules. If the total number of the new Shares to be issued has not been fully subscribed by the Members within the prescribed period, the Company may consolidate such Shares into the public offering tranche or offer any un-subscribed new Shares to a specific person or persons in such manner as is</p>	<p>2.4 Unless otherwise resolved by the Members at a general meeting by Ordinary Resolution, where the Company increases its issued share capital by issuing new Shares for cash consideration, the Company shall make a public announcement and notify each Member that he is entitled to exercise a pre-emptive right to purchase his pro rata portion of the remaining new Shares (after allocation of the public offering portion and the employee subscription portion in Article 2.3) issued in the capital increase for cash consideration. The Company shall state in such announcement and notices to the Members <u>that if any Member fails to subscribe his pro rata portion of such remaining newly-issued Shares within the prescribed period, such Member shall be deemed to forfeit his pre-emptive right to subscribe such newly-issued Shares</u>. In the event that the number of Shares held by a Member is insufficient for such Member to exercise the pre-emptive right to subscribe one newly-issued Share, Shares held by several Members may be calculated together for joint subscription of newly-issued Shares or for subscription of newly-issued Shares in the name of a single Member in such manner as is consistent with the Applicable Public Company Rules. If the total number of the new Shares to be issued has not been fully subscribed by the Members within the prescribed period, the Company may consolidate such Shares into the public offering tranche or offer any un-subscribed new Shares to a</p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taipei Exchange on January 8, 2020.</p>

<p>consistent with the Applicable Public Company Rules.</p> <p><u>If any person who has subscribed the new shares (by exercising the aforesaid pre-emptive right of Members or subscribing the public offering portion or the employee subscription portion) fails to pay when due any amount of the subscription price in relation to such newly-issued shares within the payment period as determined by the Company, the Company shall fix a period of no less than one month and call for payment of the subscription price or the Company may declare a forfeiture of such subscription. No forfeiture of such subscription shall be declared as against any such person unless the amount due thereon shall remain unpaid for such period after such demand has been made. Notwithstanding the provisions of the preceding sentence, forfeiture of the subscription may be declared without the demand process if the payment period for subscription price set by the Company is one month or longer. Upon forfeiture of the subscription, the shares remaining unsubscribed to shall be offered for subscription in such manner as is consistent with the Applicable Public Company Rules.</u></p>	<p>specific person or persons in such manner as is consistent with the Applicable Public Company Rules.</p>	
<p>2.6 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:</p> <p>(a) in connection with a Merger, <u>Share Exchange</u>, <u>Spin-off</u>, or pursuant to any reorganization of the</p>	<p>2.6 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:</p> <p>(a) in connection with a Merger, or pursuant to any reorganization of the Company;</p>	<p>This Article is amended to clarify the transaction type of merger and acquisition pursuant to the revised Shareholders' Rights Protection Checklist published by the</p>

<p>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>(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) in connection with the issue of shares in accordance with Article 34.1 or Article 35; or</p> <p>(g) in connection with Private Placement.</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>(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) in connection with the issue of shares in accordance with Article 34.1 or Article 35; or</p> <p>(g) in connection with Private Placement.</p>	<p>Taipei Exchange on January 8, 2020.</p>
<p>12.4 Subject to the Statute and Article 12.5, the Company may from time to time by Supermajority Resolution:</p> <p>(a) effect any capitalization of distributable dividends and/or bonuses and/or any other amount prescribed under Article 35 hereof;</p> <p>(b) effect any Merger (except for any Merger which falls within the definition of "merger and/or consolidation" under the Statute, which requires the approval of the Company by Special Resolution only), <u>Share Exchange</u>, or <u>Spin-off</u> of the Company;</p> <p>(c) enter into, amend, or terminate any contract for</p>	<p>12.4 Subject to the Statute and Article 12.5, the Company may from time to time by Supermajority Resolution:</p> <p>(a) effect any capitalization of distributable dividends and/or bonuses and/or any other amount prescribed under Article 35 hereof;</p> <p>(b) effect any Merger (except for any Merger which falls within the definition of "merger and/or consolidation" under the Statute, which requires the approval of the Company by Special Resolution only) or <u>spin-off</u> of the Company;</p> <p>(c) enter into, amend, or terminate any contract for lease of the Company's business in whole, or for</p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taipei Exchange on January 8, 2020.</p>

<p>lease of the Company's business in whole, or for delegation of management of the Company's business to others, or for frequent joint operation with others;</p> <p>(d) transfer its business or assets, in whole or in any essential part; or</p> <p>(e) acquire or assume the whole business or assets of another person, which has a material effect on the Company's operation.</p>	<p>delegation of management of the Company's business to others, or for frequent joint operation with others;</p> <p>(d) transfer its business or assets, in whole or in any essential part; or</p> <p>(e) acquire or assume the whole business or assets of another person, which has a material effect on the Company's operation.</p>	
<p>16.6 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 extemporary motion:</p> <p>(a) election or discharge of Directors;</p> <p>(b) alteration of the Articles;</p> <p>(c) capital deduction,</p> <p>(d) application to terminate the public offering of the shares,</p> <p>(e) (i) dissolution, Merger, Share Exchange 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</p>	<p>16.6 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 extemporary motion:</p> <p>(a) election or discharge of Directors;</p> <p>(b) alteration of the Articles;</p> <p>(c) capital deduction,</p> <p>(d) application to terminate the public offering of the shares,</p> <p>(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 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</p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taipei Exchange on January 8, 2020.</p>

<p>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) distribution of the whole or part of the surplus profit of the Company in the form of new Shares;</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>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.</p>	<p>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) distribution of the whole or part of the surplus profit of the Company in the form of new Shares;</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>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.</p>	
<p>21.1 <u>Subject to compliance with the Law, in the event any of the following resolutions are adopted at a general meeting, any Member who has abstained from voting in respect of such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the meeting, may request the Company to purchase all of his Shares at the then prevailing fair price:</u></p> <p>(a) the Company enters into, amends, or terminates</p>	<p>21.1 <u>In the event any of the following resolutions are adopted at a general meeting, any Member who has notified the Company in writing of his objection to such matter prior to the meeting and has raised again his objection at the meeting, may request the Company to purchase all of his Shares at the then prevailing fair price:</u></p> <p>(a) the Company enters into, amends, or terminates</p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taipei Exchange on January 8, 2020.</p>

<p>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;</p> <p>(b) the Company transfers its business or assets, in whole or in any essential part; provided that the foregoing does not apply where such transfer is pursuant to the dissolution of the Company;</p> <p>© the Company acquires or assumes the whole business or assets of another person, which has a material effect on the Company's operations;</p> <p><u>(d) the Company proposes to undertake a Spin-off, Merger or Share Exchange; or</u></p> <p><u>€ the Company generally assumes all the assets and liabilities of another person or generally assigns all its assets and liabilities to another person.</u></p>	<p>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;</p> <p>(b)the Company transfers its business or assets, in whole or in any essential part; provided that the foregoing does not apply where such transfer is pursuant to the dissolution of the Company; <u>or</u></p> <p>© the Company acquires or assumes the whole business or assets of another person, which has a material effect on the Company's operations.</p>	
<p>21.2 <u>Without prejudice to the Law, any Member exercising his rights in accordance with Article 21.1 (the "Dissenting Member") shall, within twenty (20) days from the date of the resolution passed at the general meeting, give his written notice of objection with the repurchase price proposed by him. If the Company and the Dissenting Member agree on a price at which the Company will purchase the Dissenting Member's shares, the Company shall make the payment within ninety (90) days from the date of the resolution passed at the general meeting. If, within ninety (90) days from the date of the resolution passed at the general meeting, the Company and the Dissenting Member fail to agree on a price at which the Company will purchase</u></p>	<p>21.2 <u>In the event any part of the Company's business is spun off or involved in any Merger, any Member, who has abstained from voting in respect of such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the general meeting approving such spin off or Merger, may request the Company to purchase all of his Shares at the then prevailing fair price.</u></p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taipei Exchange on January 8, 2020.</p>

<p><u>the Dissenting Member's shares, the Company shall pay the fair price it deems fit to the Dissenting Member within ninety (90) days from the date of the resolution passed at the general meeting. If the Company fails to pay the fair price it deems fit to the Dissenting Member within the ninety-day period, the Company shall be deemed to agree on the repurchase price proposed by such Dissenting Member.</u></p>		
<p>21.3 <u>Without prejudice to the Law, if, within sixty (60) days from the date of the resolution passed at the general meeting, the Company and the Dissenting Member fail to agree on a price at which the Company will purchase such Dissenting Member's shares, then, within thirty (30) days immediately following the date of the expiry of such sixty (60)-day period, the Company shall file a petition with the court against all the Dissenting Members for a determination of the fair price of the Shares held by all the Dissenting Members. The Taiwan Taipei District Court, ROC, may be the court of the first instance for this matter.</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 January 8, 2020.</p>
<p>21.4 <u>Notwithstanding the above provisions under this Article 21, nothing under this Article shall restrict or prohibit a Member from exercising his right under section 238 of the Statute to payment of the fair value of his shares upon dissenting from a merger or consolidation.</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 January 8, 2020.</p>

<p>25.2 The election of <u>Independent Directors</u> and non-independent directors shall be held together and shall be elected pursuant to a cumulative voting mechanism pursuant to a poll vote, where the number of votes exercisable by any Member shall be the same as the product of the number of Shares held by such Member and the number of Directors (including the Independent Directors and non-independent directors) to be elected (“Special Ballot Votes”), and the total number of Special Ballot Votes cast by any Member may be consolidated for election of one Director/Independent Director candidate or may be split for election amongst multiple Director/Independent Director candidates, as specified by the Member pursuant to the poll vote ballot. The top candidates in the number equal to the respective number of the Directors/Independent Directors to be elected, to whom the votes cast represent a prevailing number of votes relative to the other candidates, shall be deemed Directors/Independent Directors elected. The Company shall adopt a candidate nomination mechanism for the election of <u>Directors (including Independent Directors and Directors other than Independent Directors)</u>. Subject to the Statute, the nomination of <u>Directors (including Independent Directors and Directors other than Independent Directors)</u> and related announcement shall comply with the Applicable Public Company Rules <u>for so long as the shares are traded on the ESM or listed on the TPEX.</u></p>	<p>25.2 The election of Independent Directors and non-independent directors shall be held together and shall be elected pursuant to a cumulative voting mechanism pursuant to a poll vote, where the number of votes exercisable by any Member shall be the same as the product of the number of Shares held by such Member and the number of Directors (including the Independent Directors and non-independent directors) to be elected (“Special Ballot Votes”), and the total number of Special Ballot Votes cast by any Member may be consolidated for election of one Director/Independent Director candidate or may be split for election amongst multiple Director/Independent Director candidates, as specified by the Member pursuant to the poll vote ballot. The top candidates in the number equal to the respective number of the Directors/Independent Directors to be elected, to whom the votes cast represent a prevailing number of votes relative to the other candidates, shall be deemed Directors/Independent Directors elected. The Company shall adopt a candidate nomination mechanism for the election of Independent Directors. Subject to the Statute, the nomination of Independent Directors and related announcement shall comply with the Applicable Public Company Rules.</p>	<p>This Article is amended pursuant to the Order No. Financial-Supervisory-Securities-Corporate-1080311451 of the Financial Supervisory Commission issued on 25 April 2019.</p>
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<p>26.1 The office of a Director shall be vacated if:</p> <p>(j) (Omitted)</p> <p>(k) having been adjudicated guilty by a final judgment for committing offenses under the ROC Anti-Corruption Act, 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; or</p> <p>(l) (Omitted)</p>	<p>26.1 The office of a Director shall be vacated if:</p> <p>(m) (Omitted)</p> <p>(n) having been adjudicated guilty by a final judgment for committing offenses under the ROC Anti-Corruption Act <u>during the time of his public service</u>, 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; or</p> <p>(Omitted)</p>	<p>This Article is amended and clarified pursuant to the application of ROC Anti-Corruption Act.</p>
<p>28.6 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>If the Company proposes to enter into any transaction specified in Articles 21.1 or effect other forms of mergers and acquisitions in accordance with applicable law, a Director who has a personal interest in such transaction shall declare the essential contents of such personal interest and the reason why he believes that the transaction is advisable or not advisable at the relevant meeting of the Board and the general meeting as required by the applicable law.</u> Where the spouse, the person related to a Director by blood and within the second degree, or any company</p>	<p>28.6 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 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.</p>	<p>This Article is amended pursuant to the revised Shareholders' Rights Protection Checklist published by the Taipei Exchange on January 8, 2020.</p>

<p>which has a controlling or controlled relationship with a Director has interests in the matters under discussion in the meeting of the Board in the preceding paragraph, 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.</p>		
<p><u>38.3 Subject to compliance with the Statute, before the meeting of Board resolves any matter specified in Articles 21.1 or other mergers and acquisitions in accordance with the applicable law, the Audit Committee shall review the fairness and reasonableness of the relevant merger and acquisition plan and transaction, and report its review results to the meeting of Board and the general meeting; provided, however, that such review results need not be submitted to the general meeting if the approval of the Members is not required under the applicable law. When the Audit Committee conducts the review, it shall engage an independent expert to issue an opinion on the fairness of the share exchange ratio, cash consideration or other assets to be offered to the Members. The review results of the Audit Committee and the fairness opinion issued by the independent expert shall be distributed to the Members, along with the notice of the general meeting; provided, however, that the Company can only report matters relating to such merger and acquisition at the next following general meeting if the approval of the Members is not required under the applicable law. Such review results and fairness opinion shall be deemed to have been distributed to the Members if the same have been uploaded onto the website designated by Taiwan</u></p>	<p><u>(New Article)</u></p>	<p>This Article is added pursuant to the revised Shareholders' Rights Protection Checklist published by the Taipei Exchange on January 8, 2020.</p>

<p><u>securities authority and made available to the Members for their inspection and review at the venue of the general meeting.</u></p>		
<p>45 Derivative Action</p> <p>To the extent permitted under the laws of the Cayman Islands, <u>Members continuously holding one per cent (1%) or more of the total issued shares of the Company for six months or longer may:</u></p> <p>(a) <u>request in writing the Board to authorise any Independent Director of the Audit Committee to file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors; or</u></p> <p>(b) <u>request in writing any Independent Director of the Audit Committee to file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors;</u></p> <p><u>the Member(s) may, to the extent permitted under the laws of the Cayman Islands, file a petition with the Taipei District Court, ROC for and on behalf of the Company against the relevant Directors within thirty (30) days after such Member(s) having made the request under the preceding clause (a) or (b) if (i) in the case of clause (a), the Board fails to make such authorisation or the Independent Director of the Audit Committee having been authorised by the Board fails to file such petition, or (ii) in the case of clause (b), the</u></p>	<p>45 Derivative Action</p> <p>To the extent permitted under the laws of the Cayman Islands, <u>members continuously holding 1% or more of the total issued shares of the Company for six months or longer may file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors.</u></p>	<p>This Article is amended and clarified pursuant to the application of the ROC Company Act.</p>

<p><u>Independent Director of the Audit Committee fails to file such petition.</u></p>		
<p>47 Shareholder Protection Mechanism If the Company proposes to undertake:</p> <ul style="list-style-type: none"> (c) a merger or consolidation which will result in the Company being dissolved; (d) (b) a sale, transfer or assignment of all of the Company's assets and businesses to another entity; (e) a <u>Share Exchange</u>; or (f) a <u>Spin-off</u>, <p>which would result in the termination of the Company's listing on the TPEX, and where (in the case of (a) above) the surviving entity, (in the case of (b) above) the transferee, (in the case of (c) above) the entity whose shares has been allotted in exchange for the Company's shares and, (in the case of (d) above) the existing or newly incorporated spun-off company is not a listed company on the Taiwan Stock Exchange or TPEX, then in addition to any requirements to be satisfied under the Statute, such action shall be first approved at a general meeting by a resolution passed by members holding two-thirds or more of the votes of the total number of issued shares of the Company.</p>	<p>47. Shareholder Protection Mechanism If the Company proposes to undertake:</p> <ul style="list-style-type: none"> (a) a merger or consolidation which will result in the Company being dissolved; (b) a sale, transfer or assignment of all of the Company's assets and businesses to another entity; (c) a <u>share swap</u>; or (d) a <u>demerger (spin-off)</u>, <p>which would result in the termination of the Company's listing on the TPEX, and where (in the case of (a) above) the surviving entity, (in the case of (b) above) the transferee, (in the case of (c) above) the entity whose shares has been allotted in exchange for the Company's shares and, (in the case of (d) above) the existing or newly incorporated spun-off company is not a listed company on the Taiwan Stock Exchange or TPEX, then in addition to any requirements to be satisfied under the Statute, such action shall be first approved at a general meeting by a resolution passed by members holding two-thirds or more of the votes of the total number of issued shares of the Company.</p>	<p>This Article is amended to reflect the provisions of the revised Article 1.1.</p>

[Attachment VII] Comparison Table of Amendments to the " Rules of Procedure for Shareholders' Meeting "

REDWOOD GROUP LTD

Comparison Table of Amendments to the Rules of Procedure for Shareholders' Meeting

After the Amendment	Before the Amendment	Description
<p>Article 3</p> <p>I. to III. Omitted.</p> <p>The appointment and discharge of Directors and Independent Directors; amendments to the Article of Incorporation; <u>capital reduction; delisting application; removal of non-compete restriction for Directors; capital increase out of earnings; capital increase out of capital reserve;</u> the dissolution, merger, spin off or laws and regulations of the company; and matters that cannot be raised as a special motion as stipulated in the Company's Articles of Incorporation shall be listed in the reasons for convening the meeting <u>with key points disclosed</u> and shall not be raised as a special motion. <u>The key points may be posted on websites designated by the competent securities authority or the Company, and the websites shall be clearly stated in the notice.</u></p> <p><u>Where the reasons for convening the meeting have been clearly stated as the election of all Directors and Supervisors, with the date to assume office stipulated, once the election is completed</u></p>	<p>Article 3</p> <p>I to III. Omitted.</p> <p>The appointment and discharge of Directors and Independent Directors; amendments to the Article of Incorporation; the dissolution, merger, spin off or laws and regulations of the company; and matters that cannot be raised as a special motion as stipulated in the Company's Articles of Incorporation shall be listed in the reasons for convening the meeting and shall not be raised as a special motion.</p>	<p>I. Paragraph 4 is amended in response to the amendments to Paragraph 5, Article 172 of the Company Act.</p>

After the Amendment	Before the Amendment	Description
<p data-bbox="164 203 569 405"><u>during the shareholders' meeting, the date cannot be changed via a special motion or any other means within the same meeting.</u></p> <p data-bbox="164 472 569 1480">Shareholders holding 1 percent or more of the total number of issued shares may submit proposals for the annual general meeting. Each proposal is limited to one subject matter. A proposal containing more than one subject matter will not be included in the agenda, <u>unless the proposal urges the Company to promote public interests or fulfill its social responsibilities.</u> Moreover, if the proposal is of matters that cannot be revolved at the shareholders' meeting, the shareholding of the shareholder who has submitted a proposal is less than 1 percent on the book closure date or the proposal is submitted outside the specified period, the Board of Directors can exclude it from the agenda.</p> <p data-bbox="164 1547 569 2051">Prior to the book closure date before the annual general meeting, the Company shall publicly announce the acceptance of shareholders' proposals, <u>the means for submission in writing or via electronic means,</u> and the location and period for such submission. The period for submission shall not be less than ten (10) days.</p>	<p data-bbox="592 495 1000 1379">Shareholders holding 1 percent or more of the total number of issued shares may submit proposals for the annual general meeting <u>in writing.</u> <u>However,</u> each proposal is limited to one subject matter. A proposal containing more than one subject matter will not be included in the agenda. Moreover, if the proposal is of matters that cannot be revolved at the shareholders' meeting, the shareholding of the shareholder who has submitted a proposal is less than 1 percent on the book closure date or the proposal is submitted outside the specified period, the Board of Directors can exclude it from the agenda.</p> <p data-bbox="592 1615 1000 1984">Prior to the book closure date before the annual general meeting, the Company shall publicly announce the acceptance of shareholders' proposals and the location and period for such submission. The period for submission shall not be less than ten (10) days.</p>	<p data-bbox="1023 528 1430 707">II. Paragraph 5 is added in accordance with the Official Letter Jing-Shang-Zi No. 10702417500 issued on August 6, 2018.</p> <p data-bbox="1023 1648 1430 1973">III. The Paragraph is renumbered Paragraph 6 and wordings are revised in response to Paragraph 1, Article 172-1 of the newly amended Company Act and the addition of Paragraph 5 within the same Article.</p>

After the Amendment	Before the Amendment	Description
<p>Shareholders' proposal shall be limited to 300 words. Proposal containing more than 300 words shall not be included in the agenda. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the annual general meeting and participate in the discussion of his/her proposal. The Company shall inform the shareholders who has submitted proposals the outcome of those proposals before the notification date for the meeting and include proposals in compliance with provisions of this Article in the meeting notice. For proposals failing to be included in the agenda, the Board of Directors shall explain the reasons in the shareholders' meeting.</p>	<p>Shareholders' proposal shall be limited to 300 words. Proposal containing more than 300 words shall not be included in the agenda. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the annual general meeting and participate in the discussion of his/her proposal. The Company shall inform the shareholders who has submitted proposals the outcome of those proposals before the notification date for the meeting and include proposals in compliance with provisions of this Article in the meeting notice. For proposals failing to be included in the agenda, the Board of Directors shall explain the reasons in the shareholders' meeting.</p>	<p>IV. The Paragraph is renumbered Paragraph 7 and wordings are revised in line with the amendments to Paragraph 2, Article 172-1 of the Company Act.</p> <p>V. The Paragraph is renumbered Paragraph 8.</p> <p>VI. The Paragraph is renumbered Paragraph 9.</p>
<p>Article 10 The Board of Directors shall formulate the meeting agenda if the shareholders' meeting is convened by the Board of Directors. <u>Relevant proposals (including special motions and amendments to the original proposals) shall be resolved by voting on a proposal-by-proposal basis.</u> The meeting shall proceed according to the agenda which shall not be changed without a resolution of the shareholders' meeting.</p> <p>II to III. Omitted. The Chairman shall give ample</p>	<p>Article 10 The Board of Directors shall formulate the meeting agenda if the shareholders' meeting is convened by the Board of Directors. The meeting shall proceed according to the agenda which shall not be changed without a resolution of the shareholders' meeting.</p> <p>II to III. Omitted.</p>	<p>I. Paragraph 1 is amended in response to the adoption of electronic voting by all listed companies starting 2018 and to implement the spirit of voting on a proposal-by-proposal basis.</p> <p>II. Paragraph 4 is amended to</p>

After the Amendment	Before the Amendment	Description
<p>opportunity for explanation and discussion of the proposals, and amendments or special motions proposed by the shareholders. When the Chairman believes that a proposal has been discussed sufficiently to put it to a vote, he/she shall announce the discussion closed and call for a vote. <u>He/she shall also allow ample time for voting.</u></p>	<p>The Chairman shall give ample opportunity for explanation and discussion of the proposals, and amendments or special motions proposed by the shareholders. When the Chairman believes that a proposal has been discussed sufficiently to put it to a vote, he/she shall announce the discussion closed and call for a vote.</p>	<p>avoid the situation where shareholders' voting rights are affected as they cannot vote in time due to excessive reduction of voting time by the convener of shareholders' meeting.</p>
<p>Article 13 I Omitted. When the Company convenes a shareholder's meeting, voting rights <u>may be exercised by correspondence.</u> When voting rights are exercised by correspondence or electronic means, the methods of exercise shall be clearly indicated in the shareholders' meeting notice. Shareholders exercising their voting rights by correspondence or electronic means are deemed as <u>attending the shareholders' meeting in person</u> They are, however, deemed as waiving their rights on special motions or amendments to the original proposals of that shareholders' meeting. <u>Thus, the Company is advised not to raise special motions or make amendments to the original proposals.</u></p>	<p>Article 13 I Omitted. When the Company convenes a shareholder's meeting, voting rights may be exercised by <u>correspondence or electronic means.</u> When voting rights are exercised by correspondence or electronic means, the methods of exercise shall be clearly indicated in the shareholders' meeting notice. Shareholders exercising their voting rights by correspondence or electronic means are deemed as <u>appointing Chairman as their representatives and exercise their voting rights in accordance with instructions in the documents delivered by correspondence or electronic means.</u> They are, however, deemed as waiving their rights on special motions or amendments to the original proposals of that shareholders' meeting.</p>	<p>Paragraph 2 is amended in response to the adoption of electronic voting by all listed companies starting 2018.</p>
<p>Article 15 I to II. Omitted. The meeting minutes shall accurately record the year,</p>	<p>Article 15 I to II. Omitted. The meeting minutes shall accurately record the year,</p>	<p>To implement the spirit of voting on a proposal-by-proposal basis, Paragraph 3 is amended based on recommendations proposed</p>

After the Amendment	Before the Amendment	Description
<p>month, day, and location of the meeting, the name of Chairman, the resolution methods, and a summary of the discussion and the <u>voting results thereof (including the number of voting rights)</u>. <u>For elections of Directors and Supervisors, the number of voting rights received by each candidate shall be disclosed.</u> The minutes shall be retained throughout the life of the Company.</p>	<p>month, day, and location of the meeting, the name of Chairman, the resolution methods, and a summary of the discussion and <u>the results</u> thereof. The minutes shall be retained throughout the life of the Company.</p>	<p>by the Asian Corporate Governance Association.</p>
<p>Date of establishment of the Rules: December 30, 2010 First amendment: August 24, 2011 Second amendment: June 18, 2012 Third amendment: June 14, 2013 Fourth amendment: June 16, 2015 <u>Fifth amendment:</u> <u>June 8,2020</u></p>	<p>Date of establishment of the Rules: December 30, 2010 First amendment: August 24, 2011 Second amendment: June 18, 2012 Third amendment: June 14, 2013 Fourth amendment: June 16, 2015</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. According to the Company Act, the Company is not allowed to lend its funds to the shareholders or any other parties with the exception of the following conditions:</p> <p>(I) Companies or firms having business relationship with the Company. <u>The lending amount to an individual party shall not exceed the purchase or sales amount between the Company and the party, whichever is higher, in the most recent year or up to the time of lending during the year. In addition, the total lending amount shall not exceed 10 percent of the Company's net worth in the latest financial statements.</u></p> <p>(II) Companies or firms requiring short-term financing. The lending amount shall not exceed 40 percent of the</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. According to the Company Act, the Company is not allowed to lend its funds to the shareholders or any other parties with the exception of the following conditions:</p> <p>(I) Companies or firms having business relationship with the Company.</p> <p>(II) Companies or firms requiring short-term financing. The lending amount shall not exceed 40 percent of the lending company's net worth.</p>	<p>I. Pursuant to Subparagraph 3, Paragraph 1, Article 9 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," the limits on total loans to companies or firms having business relationship with the Company and loans to an individual party shall be stipulated.</p> <p>II. Pursuant to Paragraph 4, Article 3 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," the limit and duration of loans between subsidiaries whose voting rights are 100% held by the Company shall be stipulated.</p>

After the Amendment	Before the Amendment	Description
<p data-bbox="261 206 571 277">lending company's net worth.</p> <p data-bbox="165 295 571 748">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 data-bbox="165 766 571 1348">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 lending duration shall not exceed one (1) year.</u></p> <p data-bbox="165 1500 571 1617">II. Total lending amount and credit limit of individual party</p> <p data-bbox="223 1639 571 2054">(I) For subsidiaries or sub-subsidiaries requiring short-term financing and whose voting shares are 100 percent held, directly or indirectly, by the Company, the lending amount to an individual party shall</p>	<p data-bbox="593 327 999 788">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 data-bbox="593 797 999 1509">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 data-bbox="593 1581 999 1697">II. Total lending amount and credit limit of individual party</p> <p data-bbox="638 1720 999 2054">(I) For subsidiaries or sub-subsidiaries requiring short-term financing and whose voting shares are 100 percent held, directly or indirectly, by the Company, the lending</p>	

After the Amendment	Before the Amendment	Description
<p>not exceed 30 percent of the Company's net worth in the latest financial statements. However, the lending duration shall not exceed one (1) year.</p> <p>V. (II) The provision of Subparagraph 1 of Paragraph 2 is not applicable to financing between companies whose voting shares are 100 percent held, directly or indirectly, by the Company. However, the total lending amount and credit limit of individual party shall not exceed 100 percent of the Company's net worth in the latest financial statements. However, the lending duration shall not exceed one (1) year.</p>	<p>amount to an individual party shall not exceed 30 percent of the Company's net worth in the latest financial statements.</p> <p>(II) The provision of Subparagraph 1 of Paragraph 2 is not applicable to financing between companies whose voting shares are 100 percent held, directly or indirectly, by the Company. However, the total lending amount and credit limit of individual party shall not exceed 100 percent of the Company's net worth in the latest financial statements.</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 14, 2013</p> <p>Fourth amendment: June 17, 2014</p> <p>Fifth amendment: June 16, 2015</p> <p>Sixth amendment: June 10, 2019</p> <p><u>Seventh amendment:</u> <u>June 8, 2020</u></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 14, 2013</p> <p>Fourth amendment: June 17, 2014</p> <p>Fifth amendment: June 16, 2015</p> <p>Sixth amendment: June 10, 2019</p>	<p>A new amendment date is added.</p>

Redwood Group Ltd

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