

# GREEN RIVER HOLDING CO. LTD.

## Minutes of the 2019 Annual Meeting of Shareholders

Time: 2019/06/24 9:00 a.m. (Monday)

Place: B2, No.160, Ren Ai Rd., Sec.3, Taipei, Taiwan (BANQUET HALL III, The Howard Plaza Hotel Taipei)

Present: Shareholders in attendance in person or proxy represented 66,181,035 of the issued shares, representing 90.27% of the total outstanding shares 73,310,300 of the Company.

In Attendance: Ms. Wan-Ling Lin (Independent Director), Mr. Chang, Jun-En (Independent Director), Ms. Chao, Min-Ju (CPA), and Mr. Wang, Sheng-Feng (CFO)

Chairman: Mr. Jung-Hui Hsieh                      Secretary: Ms. Cheng-Hsun Tung

### Meeting Agenda :

1. Call the Meeting to Order. : The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.
2. Chairperson Remarks : (Omitted.)
3. Reports on Company Affairs

#### Report No. 1: 2018 Business Reports

Explanation: The 2018 Business Report is attached as Annex I.

#### Report No. 2: 2018 Audit Committee's Review Report

Explanation: The 2018 Audit Committee's Review Report is attached as Annex II.

#### Report No. 3: The Status of Implementation of Share Buyback Program

Explanation:

- A. The company adopts these Rules for the share buyback program in accordance with Article 28-2 of the "Securities and Exchange Act" and the provisions of the "Regulations Governing Share Repurchase by TWSE -Listed and OTC-Listed Companies". The status is as followed:

Item	<b><u>First Share Buyback Program</u></b>	<b><u>Second Share Buyback Program</u></b>
Date of Board resolution	2018/11/8	2019/1/11

Item	<b><u>First Share Buyback Program</u></b>	<b><u>Second Share Buyback Program</u></b>
Purpose of the buyback	To maintain the company's credit and shareholders' rights and interests	For transferring shares to its employees
Share type	Common Share	Common Share
Buyback period	From 2018/11/09 to 2019/01/08	From 2019/01/14 to 2019/03/11
Planned range of buyback share price	From NTD 75 to NTD 163 per share	From NTD 75 to NTD 159 per share
Planned number of shares buyback :	1,000,000 shares	600,000 shares
Number of shares bought back :	1,000,000 shares	460,000 shares
Total value of shares bought back:	NTD 103,543,932	NTD 45,149,490
The average buyback price per share:	NTD 103.54	NTD 98.15
Number of Cancelled or Transferred shares:	1,000,000 shares	0 share
Cancelled or Transferred date:	2019/03/29	-

B. The “Rules for the Repurchase of Shares and Transfer to Employees” for the Second Share Buyback Program is attached as Annex III.

C. Current number of shares bought back: 460,000 shares; Current number of shares bought back as a percentage of total outstanding shares: 0.62%. The proposal was approved after voting.

#### 4. Proposals

Proposal 1

Proposed by the Board

Item: Adoption of the 2018 Business Report and Financial Statements

Explanation:

1. The Company’s 2018 Financial Statements, including the balance sheet, income statement, statement of changes in shareholders’ equity, and statement of cash flows, were audited by independent auditors, Chang, Chun-Yi and Chao, Min-Ju of KPMG Taiwan.
2. The 2018 Business Report, independent auditors’ audit report, and the above-mentioned Financial Statements are attached as Annex I and Annex IV.
3. Please acknowledge

Resolution: 66,181,035 shares (including 7,280,800 electronic votes). 60,485,947 votes in favor (including 3,247,574 votes casted electronically), representing 91.39% of the total

represented share present; 5 votes against (including 5 votes casted electronically), representing 0% of the total represented share present; 0 votes were invalidly cast, representing 0% of the total represented share present; 5,695,083 votes (including 4,033,221 electronic votes) were abstained, representing 8.60% of the total represented share present. The proposal was approved after voting.

#### Proposal 2

Proposed by the Board

Item: Adoption of the Proposal for Distribution of 2018 Profits

Explanation:

1. The Board has adopted a Proposal for Distribution of 2018 Profits on 2019/03/11.
2. The 2018 Profit Distribution Table is attached as Annex V.
3. Please acknowledge

Resolution: 66,181,035 shares (including 7,280,800 electronic votes). 60,485,947 votes in favor (including 3,247,574 votes casted electronically), representing 91.39% of the total represented share present; 5 votes against (including 5 votes casted electronically), representing 0% of the total represented share present; 0 votes were invalidly cast, representing 0% of the total represented share present; 5,695,083 votes (including 4,033,221 electronic votes) were abstained, representing 8.60% of the total represented share present. The proposal was approved after voting.

### 5. Discussions

#### Discussion 1

Proposed by the Board

Item: Amendment to the Company's the Articles of Association

Explanation:

1. In order to conform to the needs of commercial practice and the amendments to related commercial laws, the Company hereby proposes to amend the Articles of Association. Comparison table for revised provisions is attached as Annex VI.
2. Please proceed to discuss.

Resolution: 66,181,035 shares (including 7,280,800 electronic votes). 60,001,247 votes in favor (including 3,247,574 votes casted electronically), representing 90.66% of the total represented share present; 5 votes against (including 5 votes casted electronically), representing 0% of the total represented share present; 0 votes were invalidly cast, representing 0% of the total represented share present; 6,179,783 votes (including 4,033,221 electronic votes) were abstained, representing 9.33% of the total represented share present. The proposal was approved after voting.

#### Discussion 2

Proposed by the Board

Item: Amendment to the Procedures for Acquisition and Disposal of Assets

Explanation:

1. In order to cooperate with the announcement in accordance with Ruling No.1070341072 issued by the FSC on 2018/11/26, it is proposed to amend the "Procedures for Acquisition and Disposal of Assets" of the Company. The comparison table for revised provisions is attached as Annex VII.

2. Please proceed to discuss.

Resolution: 66,181,035 shares (including 7,280,800 electronic votes). 60,001,247 votes in favor (including 3,247,574 votes casted electronically), representing 90.66% of the total represented share present; 5 votes against (including 5 votes casted electronically), representing 0% of the total represented share present; 0 votes were invalidly cast, representing 0% of the total represented share present; 6,179,783 votes (including 4,033,221 electronic votes) were abstained, representing 9.33% of the total represented share present. The proposal was approved after voting.

6. Questions and Motions : The chairman has inquired all shareholders in attendance in person. No other motion was proposed.
7. Adjournment : 2019/6/24 10:03 a.m., the Chairman declared the meeting was adjourned with approvals from all shareholders in attendance in person.

# Annex I 2018 Business Report

## GREEN RIVER HOLDING CO. LTD.

綠河股份有限公司

### 2018 Business Report

Dear Shareholders,

Looking back on 2018, the trade war between China and the US, as well as global economic fluctuation caused the economy to be unstable worldwide. Through great efforts of the management team and all employees, the Group actively adjusted the system of the Group, strengthened relationships with customers, enhanced asset utilization efficiency, controlled the cost of raw materials, and increased operating energy. Since more than 99% of the revenue of the Group relies on export sales the impact of the sales price in the single Southeast Asia region and the increase in the cost of raw materials in the market along with the factor of the suspension of operation caused by a fire accident at the energy factory of GP I that took place in the fourth quarter, the operating revenue in 2018 was lower than the revenue in 2017. The results of our operating performance in 2018 and the business outlook report are illustrated as follows:

#### 1. 2018 Business Report

##### A. Operating Performance

The Group's 2018 consolidated operating revenue is NT\$ 3,203,850 thousand, and the annual net loss attributed to shareholders of the parent company is NT\$ 100,939 thousand. The basic loss per share is NT\$ 1.35. Compared to 2017, the operating revenue of 2018 is reduced by 7.43%, net income is reduced by 114.24%, and the gross profit margin decreased to 13%. Cash inflow from operating activities for NT\$106,747,000.

B. Operating Income/Expense Budget Implementation: Since the Group is not required to prepare the financial forecast, this is not applicable.

##### C. Financial Income/Expense Analysis

### Income Statement

Unit: In Thousands of New Taiwan Dollars

Item	2018	2017	Increase (Decrease) Percentage %
Operating Revenue	3,203,850	3,460,890	(7.43)%
Operating Costs	2,799,498	2,446,726	14.42%
Gross Profit	404,352	1,014,164	(60.13)%
Operating Expenses	518,865	421,749	23.03%
Net Operating Income (Loss)	(114,513)	592,415	(119.33)%
Income (Loss) Before Income Tax	(78,505)	749,755	(110.47)%
Net Income (Loss) After Tax	(96,148)	706,946	(113.60)%
Net Income (Loss) Attributed to the Parent Company	(100,939)	708,993	(114.24)%

Source of Information: Financial statements audited by an independent auditor.

#### D. Profitability Analysis

##### Important Financial Ratio Analysis

Item	2018	2017
Return on Assets (%)	(0.77)	11.23
Return on Shareholders' Equity (%)	(3.40)	25.88
Paid-in Capital Ratio (%)	Operating Profit	79.23
	Net Profit Before Tax	100.27
Net Profit Margin (%)	(3.00)	20.43
Earnings per Share (Loss) (NT\$)	(1.35)	9.48

Source of Information: Financial statements audited by an independent auditor.

#### E. Research and Development Status

The Group continues to improve the particle board manufacturing process, and precisely control the formaldehyde content. Low-formaldehyde-content particle boards comply with European environmental protection standards, and U.S. CARB and Japan JIS certifications have been obtained, such that the Group's products have achieved world class environmental protection standards. In the future, the Group will actively improve the bonding agent technologies and recipe, and research and develop ultra-low-formaldehyde-content boards and formaldehyde-free boards, thereby developing various products equipped with special application characteristics and improving production line efficiency, in light of increasing the product competitiveness.

The Group will continue to improve the management of the solid wood board business with a commitment to reducing the loss of raw lumber and stabilizing the trimming width. In addition, the Group further implements improvement plans on the color of boards in light of

achieving the goal of producing boards with excellent color and quality.

## 2. 2019 Business Plan Overview

### A. Operational Directives

- (a) Product Research and Development: Improve manufacturing process and continue to integrate hardware equipment and software control, increase product added value, and strengthen system integration advantages.
- (b) Human Resources: Cooperate with the plant expansion plan and sales market development, actively allocate manpower, and recruit as well as cultivate external talents.
- (c) Marketing Management: Continue to strengthen customer relationships, understand market demands, and pay attention to product trends. Develop new product demands in existing markets, and further develop new markets in the regions of China and Vietnam.
- (d) Financial Performance: Use direct and indirect financial tools to strengthen the Company's responsive abilities to the external environment fluctuation.
- (e) Operation Management: Accumulate network connections through industry collaboration and understand the future trend of the industry in order to adjust the operation planning of the Company.

### B. Important Production and Sales Policies

- (a) Research and Development Technologies: Improve the bonding agent technology and develop particle boards equipped with special functionality, research and develop ultra-low-formaldehyde bonding agent applications, continue to seek formulas and technologies that are of excellent performance and environmentally friendly, in light of complying with greater international product certification standards.
- (b) Production and Manufacturing: Expand the particle board production line, commit to maintain high product yield rate and reduce production cost.
- (c) Sales Market: Utilize the strategic location at the center of the region of Southeast Asia, continue to maintain the Southeast Asian sales network, strategically develop markets in China, Northeast Asia, and other potential markets in order to expand the business scope.
- (d) Operation Performance: Collect and monitor operational management information and continue to improve the manufacturing process, adopt differential competition in order to increase operation performance.

## 3. Company's Future Development Strategy

- A. Product Strategy: Engage in strategic collaboration investment with suppliers to construct our own bonding agent factory in order to stabilize the source of raw material, improve product quality, and reduce procurement costs, as well as actively improve production capacity to create an economy of scale.
- B. Marketing and Sales Strategy: To cope with the future trend in the improvement of product quality and safety, and to research and develop differential products according to

customer demands, the Company is committed to providing excellent after-sales service and to establishing brand advantages for Green River through complete a sales mechanism and network, thereby developing the sales market for high-end particle boards and environmentally friendly products. In view of the environmental protection policy in China eliminating low-end multi-layer laminating machines, it is expected that there will be demand for at least approximately 20 million square meters in the Chinese market in the future, and the demand for high-end PB in Vietnam market will be increased. Consequently, the markets in the regions of China and Vietnam will be the key development regions for the Company in 2019.

C. Financial Strategy: To maintain excellent relationships with the transaction banks, and maintain appropriate foreign currency exchange in order to reduce the impact of the risk of the market exchange rate on the Company, thereby achieving a sound financial structure of the entire Group.

#### 4. 2019 Business Outlook

Looking forward to this year, based on the consideration of the external factors of a slowing down of the global economy and unstable international market conditions, the business outlook of the Group for 2019 will continue to focus on 1. Industry vertical integration and horizontal expansion, 2. Continue to optimize the information system and improve the operational management foundation, 3. Enhance cost control and operating energy. The Group will continue to uphold the business principle of sustainable development in order to continuously seek growth and effort in environmental protection based on active strategies and a cautious attitude, and to improve the market competitiveness of the Group, in order to become a leading green resource particle board manufacturer in Asia. We wish all shareholders all the best,

Good Health and Prosperity

Chairman:	Hsieh, Jung-Hui
Managerial Officer:	Huang, Teng Shih
Accounting Supervisor:	Wang, Sheng-Feng



## **Annex II 2018 Audit Committee's Review Report**

### **GREEN RIVER HOLDING CO. LTD. 綠河股份有限公司**

#### **Audit Committee's Review Report**

The Board of Directors prepares and submits the 2018 Business Report, Consolidated Financial Statements, and Profits Distribution Proposal, where the Consolidated Financial Statements are audited by KPMG's CPA Chao, Min Ru and CPA Chang Chun I, entrusted by the Company, and the Audit Report is issued. The aforementioned Business Report, Consolidated Financial Statements, and Profits Distribution Proposal have been reviewed by the Audit Committee, considering it to be in conformity. Accordingly, the Report is prepared as disclosed above according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review.

Submitted to

The Company's 2019 Ordinary Shareholders' Meeting

Green River Holding Co. Ltd

Audit Committee Convener: Pai, Pei-Lin

31st March, 2019

# **Annex III Rules for the Repurchase of Shares and Transfer to Employees**

## **GREEN RIVER HOLDING CO. LTD.**

**綠河股份有限公司**

### **Rules for the Repurchase of Shares and Transfer to Employees**

#### **Article 1**

In order to care for and encourage its employees, the company adopts these Rules for the Repurchase of Shares and Transfer to Employees in accordance with Article 28-2, paragraph 1, subparagraph 1 of the Securities and Exchange Act and the provisions of the Regulations Governing Share Repurchase by the Financial Supervisory Commission. Any repurchase of shares and transfer to employees by the company, in addition to complying with related laws and regulations, will be carried out in accordance with these Rules.

#### **Article 2**

The shares in the present transfer of shares to employees will be common shares, and the rights and obligations associated with those shares, unless otherwise provided by applicable laws and regulations or these Rules, will be the same as other outstanding common shares of the company.

#### **Article 3**

In accordance with these Rules, the shares in the present share repurchase may be transferred to employees in a single transfer or multiple transfers within three years from the date of the share repurchase. The un-transferred shares at the conclusion of the designated transfer period will be deemed as unissued shares and the shares so purchased are cancelled.

#### **Article 4**

All regular employees at the company and at its subsidiaries in which the company, directly and indirectly, holds more than 50 percent of the voting shares are eligible to subscribe to shares in the amounts set out in Article 5 herein.

#### **Article 5**

The number of shares to which employees may subscribe will be determined by their job level, seniority, exceptional contribution and refer to the total number of repurchase shares on the record date of subscription and the maximum subscribable shares for a single employee, authorize the chairman for approval

#### **Article 6**

Procedures for the present repurchase of shares and transfer to employees:

1. The repurchase of the company shares will be announced, declared, and carried out during the implementation period in accordance with a resolution of the board of directors.

2. The board of directors is hereby authorized to adopt and to announce operating procedures relating to the record date for employee subscriptions, the criteria for numbers of shares to which employees may subscribe, the period for payment for subscriptions, and the rights associated with share subscriptions and any restriction.
3. Employees who have not subscribed and completed payment at the conclusion of the designated subscription and payment period will be deemed to have waived their subscription rights. In the event of an insufficient number of subscriptions, the chairman may contact other employees regarding subscription to the remaining shares.
4. Statistics will be compiled on the numbers of shares actually subscribed and paid for, and the registration of share transfers will be carried out.

#### **Article 7**

The share transfer price for the present repurchase of shares and transfer to employees will be the average of the actual share repurchase prices, provided that if, prior to the transfer, there is an increase in the number of issued shares of the company common stock, the transfer price may be adjusted within a range proportional to the increase.

Formula for transfer price adjustment: Adjusted transfer price = average actual repurchase price per share  $\times$  (total number of common stock shares after the repurchase has been declared  $\div$  total number of common stock shares prior to the company's transfer of the repurchased shares to employees)

#### **Article 8**

Except where otherwise provided, the rights and obligations associated with the transferred shares, following the transfer of shares in the present share repurchase to employees and registration of share transfer, will be the same as those originally associated with the shares.

#### **Article 9**

These Rules and any amendments will be adopted and take effect following a resolution of the board of directors and shall be reported to the latest shareholders meeting.

# Annex IV 2018 Consolidated Financial Statements With Independent Auditors' Report

## Independent Auditors' Report

To the Board of Directors of Green River Holding Co. Ltd.:

### Opinion

We have audited the consolidated financial statements of Green River Holding Co. Ltd. (the "Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of December 31, 2018 and 2017, and the consolidated statement of comprehensive income, changes in equity and cash flows for the year ended December 31, 2018 and 2017, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the 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 Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this account report are as follows:

#### Revenue recognition

Please refer to note 4(n) "Revenue" for accounting policy related to revenue recognition, and note 6(o) and (p) for the information refer to revenue of the consolidated financial statements.

#### Description of key audit matter:

Revenue is the key performance indicator for the management to evaluate the performance of the finance and operation of the Group and draws high attention from the public. Therefore, revenue recognition was considered to be one of the key matters in our audit.

How the matters was addressed in our audit:

- Assessing and testing the design, and the effectiveness of the internal control operation on revenue recognition.
- Performing trend analysis on operating income of the current period and of the last period, as well as the latest quarter from each top ten customer to assess the occurrence of any significant exceptions, and further identify and analyze the reasons if there is any significant variation.
- Performing test-of-detail on sales to assess the assertions of existence and accuracy, as well as the appropriateness of recognition.
- Performing sales cut-off test of a period before and after the financial position date by vouching relevant documents of sales transactions to determine whether the revenue have been appropriately recognized.

### **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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed 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 are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 auditor's 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 the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion,

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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 Chao Min-Ju and Chang Chung-I.

KPMG

Taipei, Taiwan (Republic of China)

March 11, 2019

## GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

## Consolidated Balance Sheets

December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2018		December 31, 2017				December 31, 2018		December 31, 2017	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
11xx	<b>Current assets:</b>					21xx	<b>Current liabilities:</b>				
1100	Cash and cash equivalents (note 6(a))	\$ 1,629,156	20	3,591,049	41	2100	Short-term loans (notes 6(d), (g), (x), 7 and 8)	\$ 797,520	10	867,504	10
1170	Trade receivables, net (notes 6(b) and (o))	141,877	2	163,471	2	2130	Current contract liabilities (note 6(o))	15,348	-	-	-
1200	Other receivables	65,529	1	28,793	-	2170	Trade payables	127,793	2	173,716	2
130x	Inventories (note 6(c))	192,099	2	236,595	3	2200	Other payables (note 6(q))	135,619	2	130,014	2
1470	Other current assets (notes 6(d), (f), (i), and 8)	570,770	7	65,929	1	2230	Current tax liabilities	-	-	8,258	-
	<b>Total current assets</b>	<b>2,599,431</b>	<b>32</b>	<b>4,085,837</b>	<b>47</b>	2322	Current portion of long-term loans (notes 6(d), (f), (h), (x), 7 and 8)	14,298	-	40,179	-
15xx	<b>Non-current assets:</b>					2399	Other current liabilities (notes 6(d), (o), (x), 7 and 8)	12,152	-	20,101	-
1600	Property, plant and equipment (notes 6(d), (g), (h), (i), 7, 8 and 9)	5,497,358	66	4,421,886	51		<b>Total current liabilities</b>	<b>1,102,730</b>	<b>14</b>	<b>1,239,772</b>	<b>14</b>
1780	Intangible assets (note 6(e))	47,691	1	46,761	1	25xx	<b>Non-Current liabilities:</b>				
1840	Deferred tax assets (note 6(k))	21,812	-	1,610	-	2500	Financial liabilities measured at fair value through profit or loss – non-current (note 6(i))	-	-	761	-
1915	Prepayments for equipment (note 6(d))	16,673	-	-	-	2530	Bonds payable (notes 6(d), (f), (i), (x) and 8)	4,473,635	54	4,396,919	51
1990	Other non-current assets (notes 6(f) and 8)	112,406	1	114,112	1	2540	Long-term loans (notes 6(d), (f), (h), (x), 7 and 8)	7,149	-	20,646	-
	<b>Total non-current assets</b>	<b>5,695,940</b>	<b>68</b>	<b>4,584,369</b>	<b>53</b>	2570	Deferred tax liabilities (note 6(k))	11,473	-	-	-
						2640	Net defined benefit plan liabilities (note 6(j))	28,838	-	21,420	-
						2670	Other non-current liabilities (notes 6(x) and 8)	953	-	1,257	-
							<b>Total non-current liabilities</b>	<b>4,522,048</b>	<b>54</b>	<b>4,441,003</b>	<b>51</b>
							<b>Total liabilities</b>	<b>5,624,778</b>	<b>68</b>	<b>5,680,775</b>	<b>65</b>
						2xxx	<b>Equity attributable to owners of parent (notes 6(j), (l) and (m)):</b>				
						31xx	Common stock	747,703	9	747,703	9
						3110	Capital reserve	950,159	11	950,159	11
						3200	Retained earnings:				
						33xx	Legal reserve	44,957	1	44,957	1
						3310	Special reserve	85,542	1	111,160	1
						3320	Unappropriated retained earnings	838,447	10	1,229,864	14
						3350		968,946	12	1,385,981	16
						34xx	Other equity interest:				
						3410	Exchange differences on translation of foreign financial statements	106,635	1	(85,542)	(1)
						3500	Treasury shares	(98,447)	(1)	-	-
							<b>Total equity attributable to owners of parent:</b>	<b>2,674,996</b>	<b>32</b>	<b>2,998,301</b>	<b>35</b>
						36xx	<b>Non-controlling interests</b>	<b>(4,403)</b>	<b>-</b>	<b>(8,870)</b>	<b>-</b>
							<b>Total equity</b>	<b>2,670,593</b>	<b>32</b>	<b>2,989,431</b>	<b>35</b>
1xxx	<b>Total assets</b>	<b>\$ 8,295,371</b>	<b>100</b>	<b>8,670,206</b>	<b>100</b>	2-3xxx	<b>Total liabilities and equity</b>	<b>\$ 8,295,371</b>	<b>100</b>	<b>8,670,206</b>	<b>100</b>

## GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

## Consolidated Statements of Comprehensive Income

For the years ended December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

	2018		2017	
	Amount	%	Amount	%
4000 <b>Operating revenues (notes 6(o) and (p))</b>	\$ 3,203,850	100	3,460,890	100
5000 <b>Operating costs (notes 6(c), (d) and (e))</b>	2,799,498	87	2,446,726	71
5900 <b>Gross profit from operations</b>	404,352	13	1,014,164	29
6000 <b>Operating expenses (notes 6(d), (e), (j), (q) and 7):</b>				
6100     Selling expenses	344,562	11	268,604	8
6200     Administrative expenses	174,303	5	153,145	4
<b>Total operating expenses</b>	518,865	16	421,749	12
6900 <b>Net operating profit (loss)</b>	(114,513)	(3)	592,415	17
7000 <b>Non-operating income and expenses (notes 6(d), (i), (r), (s) and (t)):</b>				
7010     Other income	59,899	2	15,424	-
7020     Other gains and losses	52,753	1	218,059	6
7050     Finance costs	(76,644)	(2)	(76,143)	(2)
<b>Total non-operating income and expenses</b>	36,008	1	157,340	4
7900 <b>Profit (loss) from continuing operations before tax</b>	(78,505)	(2)	749,755	21
7950 <b>Less: income tax expense (note 6(k))</b>	17,643	1	42,809	1
<b>Net income (loss)</b>	(96,148)	(3)	706,946	20
8300 <b>Other comprehensive income (note 6(j)):</b>				
8310 <b>Items that will not be reclassified subsequently to profit or loss</b>				
8311       Losses on remeasurements of defined benefit plans	(2,120)	-	(1,333)	-
8349       Income tax relating to items that will not be reclassified subsequently to profit or loss	-	-	-	-
<b>Total items that will not be reclassified subsequently to profit or loss</b>	(2,120)	-	(1,333)	-
8360 <b>Items that may be reclassified subsequently to profit or loss</b>				
8361       Exchange differences on translation of foreign financial statements	191,912	6	25,372	1
8399       Income tax relating to items that may be reclassified subsequently to profit or loss	-	-	-	-
<b>Total items that may be reclassified subsequently to profit or loss</b>	191,912	6	25,372	1
8300 <b>Other comprehensive income (loss), net of tax</b>	189,792	6	24,039	1
8500 <b>Total comprehensive income</b>	<b>\$ 93,644</b>	<b>3</b>	<b>730,985</b>	<b>21</b>
8600 <b>Net income (loss) attributable to:</b>				
8610     Owners of parent	\$ (100,939)	(3)	708,993	20
8620     Non-controlling interests	4,791	-	(2,047)	-
<b>Total comprehensive income (loss) attributable to:</b>	<b>\$ (96,148)</b>	<b>(3)</b>	<b>706,946</b>	<b>20</b>
8700 <b>Total comprehensive income (loss) attributable to:</b>				
8710     Owners of parent	\$ 89,177	3	733,151	21
8720     Non-controlling interests	4,467	-	(2,166)	-
<b>Total comprehensive income (loss) attributable to:</b>	<b>\$ 93,644</b>	<b>3</b>	<b>730,985</b>	<b>21</b>
<b>Earnings (deficits) per share (Expressed in New Taiwan dollars) (note 6(n))</b>				
9750     Basic earnings (deficits) per share	<b>\$ (1.35)</b>		<b>9.48</b>	
9850     Diluted earnings (deficits) per share	<b>\$ (1.35)</b>		<b>6.39</b>	



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**For the years ended December 31, 2018 and 2017**

**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent										Total equity
	Common stock	Capital reserve	Legal reserve	Retained earnings			Exchange differences on translations of foreign financial statements	Treasury shares	Equity attributable to former owner of parent	Non-controlling interests	
				Special reserve	Unappropriated retained earnings	Total					
<b>Balance at January 1, 2017</b>	\$ 740,300	950,159	44,957	88,809	781,578	915,344	(111,160)	-	2,494,643	(20,395)	2,474,248
Appropriation and distribution of retained earnings:											
Special reserve	-	-	-	22,351	(22,351)	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(229,493)	(229,493)	-	-	(229,493)	-	(229,493)
Stock dividends of ordinary share	7,403	-	-	-	(7,403)	(7,403)	-	-	-	-	-
Net income (loss) for the year	-	-	-	-	708,993	708,993	-	-	708,993	(2,047)	706,946
Other comprehensive income (loss) for the year	-	-	-	-	(1,460)	(1,460)	25,618	-	24,158	(119)	24,039
Total comprehensive income (loss) for the year	-	-	-	-	707,533	707,533	25,618	-	733,151	(2,166)	730,985
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	13,691	13,691
Balance at December 31, 2017	747,703	950,159	44,957	111,160	1,229,864	1,385,981	(85,542)	-	2,998,301	(8,870)	2,989,431
Appropriation and distribution of retained earnings:											
Special reserve	-	-	-	(25,618)	25,618	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(314,035)	(314,035)	-	-	(314,035)	-	(314,035)
Net income (loss) for the year	-	-	-	-	(100,939)	(100,939)	-	-	(100,939)	4,791	(96,148)
Other comprehensive income (loss) for the year	-	-	-	-	(2,061)	(2,061)	192,177	-	190,116	(324)	189,792
Total comprehensive income (loss) for the year	-	-	-	-	(103,000)	(103,000)	192,177	-	89,177	4,467	93,644
Increase in treasury share	-	-	-	-	-	-	-	(98,447)	(98,447)	-	(98,447)
<b>Balance at December 31, 2018</b>	<b>\$ 747,703</b>	<b>950,159</b>	<b>44,957</b>	<b>85,542</b>	<b>838,447</b>	<b>968,946</b>	<b>106,635</b>	<b>(98,447)</b>	<b>2,674,996</b>	<b>(4,403)</b>	<b>2,670,593</b>

## GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

## Consolidated Statements of Cash Flows

For the years ended December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	2018	2017
<b>Cash flows from operating activities:</b>		
Profit before income tax	\$ (78,505)	749,755
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit:</b>		
Depreciation expense	220,764	198,373
Amortization expense	5,939	2,773
Net gain on financial liabilities at fair value through profit or loss	(761)	(167,859)
Interest expense	38,277	52,176
Interest income	(20,374)	(8,768)
Effect of exchange rate changes on bonds payable	35,122	(58,345)
Loss on disposal of property, plant and equipment	9,182	2,139
Items of property, plant and equipment changed to expense	426	518
Loss on disposal of intangible assets	-	3,319
<b>Total adjustments to reconcile profit</b>	<u>288,575</u>	<u>24,326</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Net changes in operating assets:</b>		
Trade receivables	21,594	(19,473)
Other receivables	(35,260)	(3,665)
Inventories	44,496	(87,685)
Other current assets	(7,865)	(29,487)
<b>Total net changes in operating assets</b>	<u>22,965</u>	<u>(140,310)</u>
<b>Net changes in operating liabilities:</b>		
Contract liabilities	4,854	-
Trade payables	(45,923)	35,420
Other payables	(20,513)	(16,582)
Other current liabilities	3,056	6,096
Net defined benefit plan liabilities	4,362	3,225
<b>Total net changes in operating liabilities</b>	<u>(54,164)</u>	<u>28,159</u>
<b>Net changes in operating assets and liabilities</b>	<u>(31,199)</u>	<u>(112,151)</u>
<b>Total adjustments</b>	<u>257,376</u>	<u>(87,825)</u>
Cash generated from operations	178,871	661,930
Interest received	20,374	8,895
Interest paid	(56,507)	(45,960)
Income taxes paid	(35,991)	(73,565)
<b>Net cash flows from operating activities</b>	<u>106,747</u>	<u>551,300</u>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment	(1,071,349)	(675,087)
Proceeds from disposal of property, plant and equipment	44,053	2,085
Acquisition of intangible assets	(5,069)	(136)
Increase in other financial assets	(503,648)	(49,822)
Decrease in other non-current assets	-	(1,728)
Increase in prepayments for equipments	(16,673)	(24,391)
<b>Net cash flows used in investing activities</b>	<u>(1,552,686)</u>	<u>(749,079)</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term loans	5,765,361	4,199,026
Decrease in short-term loans	(5,864,829)	(4,096,567)
Proceeds from issuing bonds	-	4,588,085
Proceeds from long-term loans	-	31,563
Repayments of long-term loans	(41,060)	(1,378,887)
Decrease in liabilities under finance lease	(915)	(2,191)
Increase in other non-current liabilities	-	465
Cash dividends paid	(314,035)	(229,493)
Cost of increase in treasury stock	(98,447)	-
Change in non-controlling interests	-	13,691
<b>Net cash flows from (used in) financing activities</b>	<u>(553,925)</u>	<u>3,125,692</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	37,971	(40,828)
<b>Net increase (decrease) in cash and cash equivalents</b>	(1,961,893)	2,887,085
<b>Cash and cash equivalents at beginning of year</b>	3,591,049	703,964
<b>Cash and cash equivalents at end of year</b>	<u>\$ 1,629,156</u>	<u>3,591,049</u>

## Annex V 2018 PROFIT DISTRIBUTION TABLE

### GREEN RIVER HOLDING CO. LTD.

綠河股份有限公司

### 2018 PROFIT DISTRIBUTION TABLE

Item	Subtotal	Total
<b>Beginning Period</b>		941,446,694
Deduct: Actuarial gains (losses) through retained earnings	2,061,078	
Deduct: 2018 Net Loss	100,938,723	
Add: reversal of the special reserve	85,542,094	
<b>Distributable Retained Earnings this period</b>		923,988,987
Deduction:		
Distributed Items:		
Cash Dividend (2.00 per share)	146,920,600	
<b>End of Period Undistributed Retained Earnings</b>		777,068,387
Note:		

1. The cash dividends are pro rata and rounded down to the nearest whole dollar with any amount less than NT\$1 being forfeited. Less than a dollar fractional totals are adjusted in order from large to small decimal points and shareholders numbers are ordered from first to last to meet the distribution of the cash dividend total.
2. The Chairman is authorized to decide the ex-dividend date and the dividend distribution date upon resolution of the shareholders' meeting.
3. If the number of outstanding shares of the Company subsequently changes due to changes to the capital resulting in a different dividend ratio to be adjusted, it is proposed that the shareholders authorize the Chairman to handle accordingly.

## Annex VI Comparison Table for Amendments to the Articles of Association

### Comparison Table for Amendments to the Articles of Association of Green River Holding Co. Ltd.

綠河股份有限公司

Amended article	Existing article	Explanation
Memorandum		
THE COMPANIES LAW (as amended) Company Limited by Shares <b>FIFTH</b> AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION OF GREEN RIVER HOLDING CO. LTD.	THE COMPANIES LAW (as amended) Company Limited by Shares <b>FOURTH</b> AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION OF Green River Holding Co. Ltd.	Revision has been made in line with the Cayman Law
Articles		
<u>share swap</u> <u>an act wherein the shareholders of a company transfer all of the company's issued shares to another company, and such company issues its shares or pays cash or other property to the shareholders of the first company as consideration for the transfer in accordance with the Applicable Public Company Rules;</u>		Following the addition of Article 12.4 to update this definition.
<u>spin-off</u> <u>an act wherein a transferor company transfers all or part of its independently operated business to an existing or a newly incorporated company and that existing transferee company or newly incorporated transferee company issues shares, or pays cash or other property to the transferor company or to shareholders of the transferor company as consideration in accordance with the Applicable Public Company Rules;</u>		Following the addition of Article 12.4 to update this definition.
12.3 Subject to the Law and <u>Articles 12.4 and 12.5</u> hereof, the following actions by the Company shall require the approval of the Members by a Supermajority Resolution: (a) effecting any capitalization of distributable dividends and/or bonuses and/or any other amount prescribed under Article 17	Subject to the Law and Article 12.4 hereof, the following actions by the Company shall require the approval of the Members by a Supermajority Resolution: (a) effecting any capitalization of distributable dividends and/or bonuses and/or any other amount prescribed under Article 17	Text revision has been made in line with the addition of Article 12.4

Amended article	Existing article	Explanation
<p>hereof;</p> <p>(b) effecting any Merger (except for any Merger which falls within the definition of "merger" and/or "consolidation" under the Law, which requires the approval of the Company by Special Resolution only) or spin-off of the Company;</p> <p>(c) entering into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;</p> <p>(d) the transferring of the whole or any essential part of the business or assets of the Company; or</p> <p>(e) acquiring or assuming the whole business or assets of another person, which has a material effect on the Company's operation.</p>	<p>hereof;</p> <p>(b) effecting any Merger (except for any Merger which falls within the definition of "merger" and/or "consolidation" under the Law, which requires the approval of the Company by Special Resolution only) or spin-off of the Company;</p> <p>(c) entering into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;</p> <p>(d) the transferring of the whole or any essential part of the business or assets of the Company; or</p> <p>(e) acquiring or assuming the whole business or assets of another person, which has a material effect on the Company's operation.</p>	
<p><u>12.4 If the Company proposes to undertake:</u></p> <p><u>(a) a merger or consolidation which will result in the Company being dissolved;</u></p> <p><u>(b) a sale, transfer or assignment of all of the Company's assets and businesses to another entity;</u></p> <p><u>(c) a share swap; or</u></p> <p><u>(d) a demerger (spin-off),</u>  <u>which would cause or result in the delisting of the Company from 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 TSE or TPEX, then in addition to any requirements to be satisfied under the Law, 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.</u></p>		<p>The addition article has been made in line with the Checklist of Shareholders Rights Protection (checklist) to incorporate with the article 27, 28, 29, and 35 from the Taiwan Business Mergers And Acquisitions Act.</p>

Amended article	Existing article	Explanation
<p><u>12.5</u> Subject to the Law, the Company may be wound up voluntarily:</p> <p>(a) if the Company resolves by Ordinary Resolution that it be wound up voluntarily because the Company is unable to pay its debts as they fall due; or</p> <p>(b) if the Company resolves by Special Resolution that it be wound up voluntarily for reasons other than set out in Article <u>12.5(a)</u> above.</p>	<p>12.4 Subject to the Law, the Company may be wound up voluntarily:</p> <p>(a) if the Company resolves by Ordinary Resolution that it be wound up voluntarily because the Company is unable to pay its debts as they fall due; or</p> <p>(b) if the Company resolves by Special Resolution that it be wound up voluntarily for reasons other than set out in Article 12.4(a) above.</p>	<p>Numbering and Text revision have been made in line with the addition of Article 12.4</p>
<p><u>12.6</u> Subject to the Applicable Law, the Company may by Supermajority Resolution, distribute its Capital Reserve, in whole or in part, by issuing new shares which shall be distributed as bonus shares to its existing Members in proportion to the number of shares being held by each of them or by cash.</p>	<p>12.5 Subject to the Applicable Law, the Company may by Supermajority Resolution, distribute its Capital Reserve, in whole or in part, by issuing new shares which shall be distributed as bonus shares to its existing Members in proportion to the number of shares being held by each of them or by cash.</p>	<p>Numbering revision has been made in line with the addition of Article 12.4</p>
<p><u>19.7 Any one or more Member(s) may convene an extraordinary general meeting, provided that such Member or Members have continuously held more than 50% of the total issued shares of the Company for a period of three months or more. The number of the shares held by a Member and the duration of time of which a Member holds such shares, shall be calculated and determined based on the Register of Members as of the first day of the Book Closure Period.</u></p>		<p>The addition article has been made in line with the Checklist to incorporate with the revision of the Taiwan Company Act, article 173-1.</p>
<p><u>19.8 If the Board does not or is unable to convene a general meeting (including the annual general meeting) or it is for the Company's benefit, the Independent Director who is a member of the Audit Committee may convene a general meeting when</u></p>		<p>The addition article has been made in line with the Checklist to incorporate with the addition article 220 of the Taiwan</p>

Amended article	Existing article	Explanation
<u>he/she, in his/her absolute discretion, deems necessary.</u>		Company Act.
20.3 For so long as the shares are registered on the ESM or listed on the TSE or TPEX, the Board shall fix a record date for determining the Members entitled to receive notice of and to vote at any general meeting of the Company in accordance with Applicable Public Company Rules and close its Register of Members accordingly in accordance with Applicable Public Company Rules. <u>The Board shall fix the period that the Register of Members shall be closed for transfers (the "Book Closure Period").</u>	20.3 For so long as the shares are registered on the ESM or listed on the TSE or TPEX, the Board shall fix a record date for determining the Members entitled to receive notice of and to vote at any general meeting of the Company in accordance with Applicable Public Company Rules and close its Register of Members accordingly in accordance with Applicable Public Company Rules.	Text Revision
20.6 For so long as the shares are registered on the ESM or listed on the TSE or TPEX, 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 ad-hoc motion: (a) election or discharge of Directors, (b) alteration of the Memorandum or Articles, (c) <u>capital reduction.</u> (d) <u>application to terminate the public offering of the shares.</u> (e) dissolution, Merger, share swap or spin-off, (ii) entering into, amending, or terminating any Lease Contract, Management Contract or Joint Operation Contract, (iii) transfer of the whole or any essential part of the business or assets of the Company, and (iv) acquisition or assumption of the whole of the business or assets of another person, which has a material effect on the operations of the Company, (f) ratification of an action by	20.6 For so long as the shares are registered on the ESM or listed on the TSE or TPEX, 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 ad-hoc motion: (a) election or discharge of Directors, (b) alteration of the Memorandum or Articles, (c) dissolution, Merger, share conversion or spin-off, (ii) entering into, amending, or terminating any Lease Contract, Management Contract or Joint Operation Contract, (iii) transfer of the whole or any essential part of the business or assets of the Company, and (iv) acquisition or assumption of the whole of the business or assets of another person, which has a material effect on the operations of the Company, (d) ratification of an action by	The revision has been made in line with the Checklist to incorporate with the revision of the Taiwan Company Act, article 172, paragraph 5.

Amended article	Existing article	Explanation
<p>Director(s) who engage(s) in business for himself 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 surplus profit of the Company in the form of new shares capitalization of Capital Reserve and any other amount in accordance with Article 17, and</p> <p>(h) distribution of new shares or cash to its Members in accordance with Article 15.3 hereof; and</p> <p>(i) Private Placement of any equity-related securities to be issued by the Company.</p> <p><u>The major content of the above matters can be announced at the website designated by the ROC securities authority or by the Company, and the Company shall specify the link to the website in the notice of the relevant general meeting.</u></p>	<p>Director(s) who engage(s) in business for himself or on behalf of another person that is within the scope of the Company's business,</p> <p>(e) distribution of the whole or part of surplus profit of the Company in the form of new shares capitalization of Capital Reserve and any other amount in accordance with Article 17, and</p> <p>(f) distribution of new shares or cash to its Members in accordance with Article 15.3 hereof; and</p> <p>(g) Private Placement of any equity-related securities to be issued by the Company.</p>	
<p>20.7 For so long as the shares are registered on the ESM or listed on the TSE or TPEx, the Board shall keep the Memorandum and Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the Registered Office (if applicable) and the Company's stock affairs agent located in the ROC. Members may request, from time to time, by submitting document(s) evidencing his interests involved and indicating the designated scope of the inspection, access to review, <u>transcribe</u> or make copies of the foregoing documents. <u>If the relevant documents are kept by the Company's stock affairs agent, upon the request of any Member, the Company shall order the Company's stock affairs agent to provide such Member with the requested documents.</u></p>	<p>20.7 For so long as the shares are registered on the ESM or listed on the TSE or TPEx, the Board shall keep the Memorandum and Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the Registered Office (if applicable) and the Company's stock affairs agent located in the ROC. Members may request, from time to time, by submitting document(s) evidencing his interests involved and indicating the designated scope of the inspection, access to <u>inspect</u>, review or make copies of the foregoing documents.</p>	<p>The revision has been made in line with the Checklist to incorporate with the revision of the Taiwan Company Act, article 210.</p>



Amended article	Existing article	Explanation
<p><u>20.9 If the general meeting is convened by the Board and other person entitled to convene a general meeting in accordance with these Articles or any applicable law, the Board and such person may request the Company or the Company's stock affairs agent to provide the Register of Members. Upon the request, the Company shall (and shall order the Company's stock affairs agent to) provide the Register of Members.</u></p>		<p>The addition article has been made in line with the Checklist to incorporate with the addition article 210-1 of the Taiwan Company Act.</p>
<p>21.1 Any Notice or document, whether or not to be given or issued under the Articles from the Company to a Member, shall be in writing either by delivering it to such Member in person or by sending it by letter mail or courier service to such Member at his registered address as appearing in the Register of Members or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address. For the purposes of this Article, a notice may be sent via electronic means if so agreed to by the shareholder in writing. <u>The notice of the general meeting to be given to shareholders who own less than 1,000 shares may be given in the form of a public announcement stipulated in the Applicable Public Company Rules; for an annual general meeting and an extraordinary general meeting, such public announcement shall be made thirty days and fifteen days prior to the meeting, respectively.</u></p>	<p>21.1 Any Notice or document, whether or not to be given or issued under the Articles from the Company to a Member, shall be in writing either by delivering it to such Member in person or by sending it by letter mail or courier service to such Member at his registered address as appearing in the Register of Members or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address. For the purposes of this Article, a notice may be sent via electronic means if so agreed to by the shareholder in writing.</p>	<p>The revision has been made in line with the Taiwan Securities and Exchange Act, article 26-2.</p>
<p>23.6 For so long as the shares are registered on the ESM or listed on the TSE or TPEX, member(s) holding one per cent (1%) or more of the Company's total issued shares</p>	<p>23.6 For so long as the shares are registered on the ESM or listed on the TSE or TPEX, member(s) holding one per cent (1%) or more of the Company's total issued shares</p>	<p>The revision has been made in line with the Checklist to incorporate with the revision of the</p>

Amended article	Existing article	Explanation
<p>immediately prior to the relevant <u>Book Closure Period</u> may propose to the Company in writing <u>or any electronic means designated by the Company</u> one matter for discussion at an annual general meeting. The Company shall give a public notice in such manner as permitted by Applicable Law specifying the place and a period of not less than ten (10) days for Members to submit proposals. <u>The Board shall not include the proposals</u> in the agenda of the annual general meeting <u>unless</u> (a) the proposing Member(s) holds less than one cent (1%) of the Company's total issued shares, (b) the matter of such proposal may not be resolved by a general meeting or <u>the proposal exceeds 300 Chinese words</u>, (c) the proposing Member(s) has proposed more than one proposal <u>or</u> (d) <u>the proposal is submitted to the Company outside of the period fixed and announced by the Company for accepting Member(s)' proposal(s). If the purpose of the proposal is to urge the Company to promote public interests or fulfil its social responsibility, the Board may accept such proposal.</u></p>	<p>immediately prior to the relevant <u>book close period, during which the Company closed its Register of Members</u>, may propose to the Company in writing one matter for discussion at an annual general meeting. The Company shall give a public notice in such manner as permitted by Applicable Law specifying the place and a period of not less than ten (10) days for Members to submit proposals. <u>Proposals shall not be included</u> in the agenda of the annual general meeting <u>where</u> (a) the proposing Member(s) holds less than one cent (1%) of the Company's total issued shares, (b) the matter of such proposal may not be resolved by a general meeting; <u>or</u> (c) the proposing Member(s) has proposed more than one proposal.</p>	<p>Taiwan Company Act, article 172-1.</p>
<p>26.3 For so long as the shares are registered on the ESM or listed on the TSE or TPEX, subject to the Applicable Public Company Rules, except for an ROC trust enterprise or stock affair agents approved pursuant to Applicable Public Company Rules, save with respect to the Chairman being deemed appointed as proxy under Article 25.4 hereof, in the event a person acts as the proxy for two or more Members, the total number of issued and voting shares entitled to be voted as represented by such proxy shall be no more than three per cent (3%) of the total number of issued and voting shares of the Company immediately prior to the relevant <u>Book Closure Period</u>, during which</p>	<p><b>26.3</b> For so long as the shares are registered on the ESM or listed on the TSE or TPEX, subject to the Applicable Public Company Rules, except for an ROC trust enterprise or stock affair agents approved pursuant to Applicable Public Company Rules, save with respect to the Chairman being deemed appointed as proxy under Article 25.4 hereof, in the event a person acts as the proxy for two or more Members, the total number of issued and voting shares entitled to be voted as represented by such proxy shall be no more than three per cent (3%) of the total number of issued and voting shares of the Company immediately prior to the relevant book closed period, during which the</p>	<p>Text revision</p>

Amended article	Existing article	Explanation
the Company close its Register of Member; any vote in respect of the portion in excess of such three per cent (3%) threshold shall not be counted.	Company close its Register of Member; any vote in respect of the portion in excess of such three per cent (3%) threshold shall not be counted.	
34.5 The <u>Directors (including Independent Directors)</u> shall be nominated by adopting the candidate nomination system specified in the Applicable Public Company Rules for so long as the shares are traded on the ESM or listed on the TSE or TPEX.	34.5 The Independent Directors <u>may be nominated by adopting the candidate nomination system specified in the Applicable Public Company Rules provided that the Independent Directors</u> shall be nominated by adopting the candidate nomination system specified in the Applicable Public Company Rules for so long as the shares are traded on the ESM or listed on the TSE or TPEX.	The revision has been made in line with the Checklist to incorporate with the Taiwan Company Act, article 192-1.
36.1 The Company may from time to time by Supermajority Resolution remove any Director from office, whether or not appointing another in his stead. Where an election of all Directors is effected adopted at a general meeting prior to the expiration of the term of office of existing Directors, the term of office of all current Directors is deemed to have expired on the date of the election unless otherwise resolved by the Members that all current Directors will not be removed until the expiration of their present term of office. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to such election of all Directors.	36.1 The Company may from time to time by Supermajority Resolution remove any Director from office, whether or not appointing another in his stead. Where an election of all Directors is effected <u>by a resolution adopted</u> at a general meeting prior to the expiration of the term of office of existing Directors, the term of office of all current Directors is deemed to have expired on the date of the election unless otherwise resolved by the Members that all current Directors will not be removed until the expiration of their present term of office. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to such election of all Directors.	Text revision
37.1The office of Director shall be vacated: (a) if the Director is removed from office pursuant to these Articles; (b) if the Director dies; (c) if the Director is automatically discharged from his office in accordance with Article 34.3 hereof; (d) if the Director resigns his office by notice in writing to the	37.1The office of Director shall be vacated: (a) if the Director is removed from office pursuant to these Articles; (b) if the Director dies; (c) if the Director is automatically discharged from his office in accordance with Article 34.3 hereof; (d) if the Director resigns his office by notice in writing to the	The revision has been made in line with the Checklist to incorporate with the Taiwan Company Act, article 30.

Amended article	Existing article	Explanation
<p>Company;</p> <p>(e) if the Director is the subject of a court order for his removal in accordance with Article 36.2; or</p> <p>(f) with immediate effect without any action required on behalf of the Company if</p> <p>(i) the Director has been adjudicated bankrupt <u>or the court has declared a liquidation process in connection with the Director and such Director</u> has not been reinstated to his rights and privileges;</p> <p>(ii) an order is made by any competent court or official on the grounds that the Director has no legal capacity, or his legal capacity is restricted according to Applicable Law;</p> <p>(iii) the Director has committed an offence as specified in the ROC <u>Organized Crime Prevention Act</u> and subsequently has been adjudicated guilty by a final judgment, and <u>(i) has not started serving the sentence, (ii) has not completed serving the sentence, (iii) the time elapsed after completion of serving the sentence or expiration of the probation is less than five years, or (iv) the time elapsed after being pardoned is less than five (5) years;</u></p> <p>(iv)the Director has committed an offence in terms of fraud, breach of trust or misappropriation and subsequently has been punished with imprisonment for a term of <u>one year or more by a final judgment, and (i) has not started serving the sentence, (ii) has not completed serving the sentence, (iii) the time elapsed after completion of serving</u></p>	<p>Company;</p> <p>(e) if the Director is the subject of a court order for his removal in accordance with Article 36.2; or</p> <p>(f) with immediate effect without any action required on behalf of the Company if</p> <p>(i) the Director has been adjudicated bankrupt, <u>and</u> has not been reinstated to his rights and privileges;</p> <p>(ii) an order is made by any competent court or official on the grounds that the Director has no legal capacity, or his legal capacity is restricted according to Applicable Law;</p> <p>(iii)the Director has committed an offence as specified in the ROC <u>statute of prevention of organizational crimes</u> and subsequently has been adjudicated guilty by a final judgment, and <u>the time elapsed after he has served the full term of the sentence is less than five (5) years;</u></p> <p>(iv)the Director has committed an offence in terms of fraud, breach of trust or misappropriation and subsequently has been punished with imprisonment for a term of <u>more than one year, and the time elapsed after he has served the full term of such sentence</u> is less than two (2) years;</p>	

Amended article	Existing article	Explanation
<p><u>the sentence or expiration of the probation is less than two years, or (iv) the time elapsed after being pardoned is less than two (2) years;</u></p> <p>(v) the Director has been adjudicated guilty by a final judgment for <u>committing offenses under the Anti-Corruption Act of the ROC,</u> and (i) <u>has not started serving the sentence,</u> (ii) <u>has not completed serving the sentence,</u> (iii) <u>the time elapsed after completion of serving the sentence or expiration of the probation is less than two years, or (iv) the time elapsed after being pardoned is less than two (2) years;</u></p> <p>(vi) <u>the Director has been adjudicated of the commencement of assistantship (as defined under the Civil Code of the ROC) or similar declaration and such assistantship/declaration having not been revoked yet;</u> or</p> <p>(vii) the Director has been dishonored for use of credit instruments, and the term of such sanction has not expired yet.</p> <p>In the event that any of the foregoing events specified in Article 37.1(f) has occurred in relation to a candidate for election of Director, such person shall be disqualified from being elected as a Director.</p>	<p>(v) the Director has been adjudicated guilty by a final judgment for <u>misappropriating public funds during the time of his public service, and the time elapsed after he has served the full term of such sentence</u> is less than two (2) years; or</p> <p>(vi) the Director has been dishonored for use of credit instruments, and the term of such sanction has not expired yet.</p> <p>In the event that any of the foregoing events specified in Article 37.1(f) has occurred in relation to a candidate for election of Director, such person shall be disqualified from being elected as a Director.</p>	
<p>37.2 In case a Director <u>(other than an Independent Director)</u> has, during the term of office as a Director <u>(other than an Independent Director),</u> transferred more than one half of the Company's shares being held by him at the time he is elected, he shall, ipso facto, be removed automatically from the position of Director with immediate effect and no shareholders'</p>	<p>37.2 In case a Director has, during the term of office as a Director, transferred more than one half of the Company's shares being held by him at the time he is elected, he shall, ipso facto, be removed automatically from the position of Director with immediate effect and no shareholders' approval shall be required.</p>	<p>The revision has been made in line with the Checklist to incorporate with the Taiwan Securities and Exchange Act, article 14-2, paragraph 5.</p>

Amended article	Existing article	Explanation
approval shall be required.		
<p>37.3 If any Director <u>(other than an Independent Director)</u> has, after having been elected as a Director and before his inauguration of the office of director, transferred more than one half of the Company's shares being held by him at the time of his election as a Director, then he shall immediately cease to be a Director and no shareholders' approval shall be required. If any Director <u>(other than an Independent Director)</u> has transferred more than one half of the Company's shares then being held by him within the <u>Book Closure Period</u> prior to a shareholders' meeting, then he shall immediately cease be a Director and no shareholders' approval shall be required.</p>	<p>37.3 If any Director has, after having been elected as a Director and before his inauguration of the office of director, transferred more than one half of the Company's shares being held by him at the time of his election as a Director, then he shall immediately cease to be a Director and no shareholders' approval shall be required. If any Director has transferred more than one half of the Company's shares then being held by him within the <u>share transfer prohibition period</u> prior to a shareholders' meeting—<u>according to the Applicable Public Company Rules</u>, then he shall immediately cease be a Director and no shareholders' approval shall be required.</p>	<p>The revision has been made in line with the Checklist to incorporate with the Taiwan Securities and Exchange Act, article 14-2, paragraph 5.</p>
<p>47.2 Notwithstanding anything to the contrary contained in this Article 47, a Director who is directly or indirectly interested in any matter under discussion at a meeting of the Directors or a contract or proposed contract or arrangement with the Company shall declare the nature and the essential contents of such interest at the relevant meeting of the Directors as required by the Applicable Law. <u>Where the spouse, the person related to a Director by blood and within the second degree (as defined under the ROC Civil Code), or any company which has a controlling or controlled relation with a Director has interests in the matters under discussion in the meeting of the Directors, such Director shall be deemed to have a personal interest in the matter. The terms "controlling" and "controlled" shall be interpreted in accordance with the Applicable Public Company Rules.</u></p>	<p>47.2 Notwithstanding anything to the contrary contained in this Article 47, a Director who is directly or indirectly interested in any matter under discussion at a meeting of the Directors or a contract or proposed contract or arrangement with the Company shall declare the nature and the essential contents of such interest at the relevant meeting of the Directors as required by the Applicable Law.</p>	<p>The text addition has been made in line with the Checklist to incorporate with the addition article 206, paragraph 3 of the Taiwan Company Act.</p>

Amended article	Existing article	Explanation
<p>48.3 To the extent permitted under the laws of the Cayman Islands, Members continuously holding <u>one</u> per cent (<u>1%</u>) or more of the total issued shares of the Company for <u>six months</u> or longer may:</p> <p>(a) 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</p> <p>(b) request in writing any Independent Director(s) of the Audit Committee to file a petition for and on behalf of the Company against any of the Directors; the petition may be filed with the Taipei District Court, ROC as the court of the first instance; or</p> <p>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 Independent Director of the Audit Committee fails to file such petition.</p>	<p>48.3 To the extent permitted under the laws of the Cayman Islands, Members continuously holding <u>three</u> per cent (<u>3%</u>) or more of the total issued shares of the Company for <u>a year</u> or longer may:</p> <p>(a) 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</p> <p>(b) request in writing any Independent Director(s) of the Audit Committee to file a petition for and on behalf of the Company against any of the Directors; the petition may be filed with the Taipei District Court, ROC as the court of the first instance; or</p> <p>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 Independent Director of the Audit Committee fails to file such petition.</p>	<p>The revision has been made in line with the Checklist to incorporate with the revision of the Taiwan Company Act, article 214.</p>
<p>48.4 Without prejudice and subject to the general directors' duties that a Director owe to the Company and <u>its</u> shareholders under common law principles and the laws of the Cayman Islands, a Director shall perform his fiduciary duties of loyalty and due care of a good administrator in the course of conducting the Company's business, and shall indemnify the Company, to the maximum extent legally permissible,</p>	<p>48.4 Without prejudice and subject to the general directors' duties that a Director owe to the Company and it shareholders under common law principles and the laws of the Cayman Islands, a Director shall perform his fiduciary duties of loyalty and due care of a good administrator in the course of conducting the Company's business, and shall indemnify the Company, to the maximum extent legally permissible,</p>	<p>Text adjustment</p>

Amended article	Existing article	Explanation
<p>from any loss incurred or suffered by the Company arising from breach of his fiduciary duties. If a Director has made any profit for the benefit of himself or any third party as a result of any breach of his fiduciary duties, the Company shall, if so resolved by the Members by way of an Ordinary Resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover such profit from such relevant Director. If a Director has, in the course of conducting the Company's business, violated any laws or regulations that causes the Company to become liable for any compensation or damages to any person, such Director shall become jointly and severally liable for such compensation or damages with the Company and if any reason such Director is not made jointly and severally liable with the Company, such Director shall indemnify the Company for any loss incurred or suffered by the Company caused by a breach of duties by such Director. The Officers, in the course of performing their duties to the Company, shall assume such duties and obligations to indemnify the Company in the same manner as if they are Directors.</p>	<p>from any loss incurred or suffered by the Company arising from breach of his fiduciary duties. If a Director has made any profit for the benefit of himself or any third party as a result of any breach of his fiduciary duties, the Company shall, if so resolved by the Members by way of an Ordinary Resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover such profit from such relevant Director. If a Director has, in the course of conducting the Company's business, violated any laws or regulations that causes the Company to become liable for any compensation or damages to any person, such Director shall become jointly and severally liable for such compensation or damages with the Company and if any reason such Director is not made jointly and severally liable with the Company, such Director shall indemnify the Company for any loss incurred or suffered by the Company caused by a breach of duties by such Director. The Officers, in the course of performing their duties to the Company, shall assume such duties and obligations to indemnify the Company in the same manner as if they are Directors.</p>	
<p>59. Tender Offer  <u>Any public announcement in connection with any tender offer of the shares shall be in compliance with the Applicable Public Company Rules, including but not limited to the Regulations Governing Public Tender Offers for Securities of Public Companies.</u></p>	<p>59. Tender Offer  <u>For so long as the shares are registered on the ESM or listed on the TSE or TPEX, within seven (7) days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its Litigious and Non-Litigious Agent, the Board shall resolve to recommend to the Members whether to accept or object to the tender offer and make a public announcement of the following:</u>  <u>(a) the types and numbers of the shares held in their own names or in the names of other persons by</u></p>	<p>The text adjustment has been made in line with the revision of the Regulations Governing Public Tender Offers for Securities of Public Companies.</p>



Amended article	Existing article	Explanation
	<p><del>the Directors and the Members holding more than ten per cent (10%) of the total issued shares.</del></p> <p><del>(b) recommendations to the Members on the tender offer, which shall set forth the names of the Directors who abstain or object to the tender offer and the reason(s) therefor.</del></p> <p><del>(c) whether there is any material change in the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any.</del></p> <p><del>(d) the types, numbers and amounts of the shares of the tender offeror or its affiliates held by the Directors and the Members holding more than ten per cent (10%) of the total number of issued shares in their own names or in the name of other persons.</del></p>	
64.1 Subject to the Law, the Company may be voluntarily wound up in accordance with Article <u>12.5</u> .	64.1 Subject to the Law, the Company may be voluntarily wound up in accordance with Article 12.4.	Text revision has been made in line with the addition of Article 12.4
<p><u>70. Social Responsibility</u>  <u>When the Company conducts the business, the Company shall comply with the laws and regulations as well as business ethics and may take actions which will promote public interests in order to fulfill its social responsibilities.</u></p>		The article addition has been made in line with the Checklist to incorporate with the addition article 1, paragraph 2 of the Taiwan Company Act.

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

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

#### Green River Holding Co. Ltd.

Amended article	Existing article	Explanation
<p><b>Article 3</b> The term "assets" as used in these Regulations includes the following:</p> <ol style="list-style-type: none"> <li>1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.</li> <li>2. Real property (including land, houses and buildings, investment property, and land-use right) and equipment.</li> <li>3. Memberships.</li> <li>4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.</li> <li><u>5. Right-of-use assets.</u></li> <li>6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</li> <li><u>7. Derivatives.</u></li> <li>8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.</li> <li><u>9. Other major assets.</u></li> </ol>	<p><b>Article 3</b> The term "assets" as used in these Regulations includes the following:</p> <ol style="list-style-type: none"> <li>1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.</li> <li>2. Real property (including land, houses and buildings, investment property, and <u>land-use right</u>) and equipment.</li> <li>3. Memberships.</li> <li>4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.</li> <li>5. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</li> <li><u>6. Derivatives.</u></li> <li><u>7. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.</u></li> <li>8. Other major assets.</li> </ol>	<p>Revision has been made in accordance with the amendment of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>
<p><b>Article 4</b> Terms used in these Regulations are defined as follows:</p> <ol style="list-style-type: none"> <li>1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a <u>specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts</u></li> </ol>	<p><b>Article 4</b> Terms used in these Regulations are defined as follows:</p> <ol style="list-style-type: none"> <li>1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts,</li> </ol>	<p>Revision has been made in accordance with the amendment of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>

Amended article	Existing article	Explanation
<p><u>combining the above contracts; or hybrid contracts or structured products containing embedded derivatives.</u> The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.</p> <p>2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Taiwan Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3, of the <u>Taiwan</u> Company Act.</p> <p>3. Related party or subsidiary: As defined in the <u>Taiwan</u> Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.</p> <p>5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the <u>Taiwan</u> competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.</p>	<p>performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.</p> <p>2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156, paragraph 8 of the Taiwan Company Act.</p> <p>3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.</p> <p>5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the</p>	

Amended article	Existing article	Explanation
<p>6. Mainland China area investment: Refers to investments in the mainland China area approved by the Taiwanese Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.</p>	<p>competent authority shall apply.</p> <p>6. Mainland China area investment: Refers to investments in the mainland China area approved by the Taiwanese Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.</p>	
<p><b>Article 7</b> Operating Procedures for Acquisition or Disposal of Real Property or Equipment :</p> <p>1. Evaluation and Operating Procedures The company's acquisition or disposition of real property or equipment shall be governed by the Internal Control Policy- Investment Cycle.</p> <p>2. Process of Approval The department which requests for acquiring or disposing real property or equipment should do documentation regarding the purpose of this transaction, the price, the terms of payment and the appraisal report.</p> <p>Per transaction, if in acquiring or disposing of real property or equipment where the transaction amount is less than 20 percent of the company's paid-in capital or NT\$300 million, the company, the transaction shall be submitted for approval in advance by the board of directors; if in acquiring or disposing of real property or equipment where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall submitted for discussion by the board of directors and followed by the result of the board meeting minutes.</p>	<p><b>Article 7</b> Operating Procedures for Acquisition or Disposal of Real Property or Equipment :</p> <p>1. Evaluation and Operating Procedures The company's acquisition or disposition of real property or equipment shall be governed by the Internal Control Policy- Investment Cycle.</p> <p>2. Process of Approval The department which requests for acquiring or disposing real property or equipment should do documentation regarding the purpose of this transaction, the price, the terms of payment and the appraisal report.</p> <p>Per transaction, if in acquiring or disposing of real property or equipment where the transaction amount is less than 20 percent of the company's paid-in capital or NT\$300 million, the company, the transaction shall be submitted for approval in advance by the board of directors; if in acquiring or disposing of real property or equipment where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall submitted for discussion by the board of directors and followed by the result of the board meeting minutes.</p>	<p>Revision has been made in accordance with the amendment of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>

Amended article	Existing article	Explanation
<p>3. Process of Evaluation</p> <p>In acquiring or disposing of real property or equipment <u>or right-of-use assets</u> where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a <u>Taiwanese</u> government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment <u>or right-of-use assets</u> for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>A. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>B. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>C. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the</p>	<p>3. Process of Evaluation</p> <p>In acquiring or disposing of real property or equipment where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>A. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>B. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>C. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the</p>	

Amended article	Existing article	Explanation
<p>appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(a) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(b) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>D. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser</p> <p>4. Appraisal Report</p> <p>In acquiring or disposing real property or equipment, except for the appraisal reports, certified public accountants' opinions, and other professional opinions, the company shall also consider the publicly announced current value, assessed present value, the neighboring or closely valued parcels of real property or book value, the supplier offers.</p> <p>If the purchase of real property from the related parties, the company should first apply the method prescribed under this chapter to assess whether the transaction price is reasonable.</p>	<p>appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(a) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(b) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>D. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser</p> <p>4. Appraisal Report</p> <p>In acquiring or disposing real property or equipment, except for the appraisal reports, certified public accountants' opinions, and other professional opinions, the company shall also consider the publicly announced current value, assessed present value, the neighboring or closely valued parcels of real property or book value, the supplier offers.</p> <p>If the purchase of real property from the related parties, the company should first apply the method prescribed under this chapter to assess whether the transaction price is reasonable.</p>	

Amended article	Existing article	Explanation
<p>5. Quota Limitation Unless receiving approval from the Resolution by the Board of Directors of the Company, the company shall not acquire any real property which is not for business use.</p>	<p>5. Quota Limitation Unless receiving approval from the Resolution by the Board of Directors of the Company, the company shall not acquire any real property which is not for business use.</p>	
<p><b>Article 8</b> Operating Procedures for Acquisition or Disposal of Memberships or Intangible Assets :</p> <p>1. Evaluation and Operating Procedures In acquiring or disposing of the company's membership or intangible assets, the general manager should indicate a person in charge or the ad hoc group responsible for evaluation of the transaction.</p> <p>2. Process of Approval The department which requests for acquiring or disposing the company's membership or intangible assets, the company should do documentation regarding the purpose of this transaction, the price, the terms of payment and so on. Per transaction, if in acquiring or disposing of the company's membership or intangible assets where the transaction amount is less than 20 percent of the company's paid-in capital or NT\$300 million, the company, the transaction shall be submitted for approval in advance by the board of directors; if in acquiring or disposing of the company's membership or intangible assets where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall submitted for discussion by the board of directors and followed by the result of the board meeting minutes.</p>	<p><b>Article 8</b> Operating Procedures for Acquisition or Disposal of Memberships or Intangible Assets :</p> <p>1. Evaluation and Operating Procedures In acquiring or disposing of the company's membership or intangible assets, the general manager should indicate a person in charge or the ad hoc group responsible for evaluation of the transaction.</p> <p>2. Process of Approval The department which requests for acquiring or disposing the company's membership or intangible assets, the company should do documentation regarding the purpose of this transaction, the price, the terms of payment and so on. Per transaction, if in acquiring or disposing of the company's membership or intangible assets where the transaction amount is less than 20 percent of the company's paid-in capital or NT\$300 million, the company, the transaction shall be submitted for approval in advance by the board of directors; if in acquiring or disposing of the company's membership or intangible assets where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall submitted for discussion by the board of directors and followed by the result of the board meeting minutes.</p>	<p>Revision and text adjustment have been made in accordance with the amendment of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>

Amended article	Existing article	Explanation
<p>3. Process of Evaluation:  In acquiring or disposing the company's membership, the company shall refer to Market Fair Value \ trading condition and the transaction price and prepare an analysis report based on those information; in acquiring or disposing the company's intangible assets, the company shall refer to the appraisal report or Market Fair Value \ trading condition and the transaction price and prepare an analysis report based on those information.</p> <p>Where the company acquires or disposes of <u>intangible assets or right-of-use assets thereof or memberships</u> and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a <u>Taiwanese</u> government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>	<p>3. Process of Evaluation:  In acquiring or disposing the company's membership, the company shall refer to Market Fair Value \ trading condition and the transaction price and prepare an analysis report based on those information; in acquiring or disposing the company's intangible assets, the company shall refer to the appraisal report or Market Fair Value \ trading condition and the transaction price and prepare an analysis report based on those information.</p> <p>Where the company acquires or disposes of <u>memberships or intangible assets</u> and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>	
<p><b>Article 10</b>  Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>1. <u>May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the</u></p>	<p><b>Article 10</b>  Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.</p>	<p>Revision has been made in accordance with the amendment of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>



Amended article	Existing article	Explanation
<p><u>Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</u></p> <p><u>2. May not be a related party or de facto related party of any party to the transaction.</u></p> <p><u>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</u></p> <p><u>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</u></p> <p><u>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</u></p> <p><u>2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</u></p> <p><u>3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</u></p> <p><u>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the</u></p>		

Amended article	Existing article	Explanation
<p><u>report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</u></p>		
<p><b>Article 14</b> When the company intends to acquire or dispose of real property or <u>right-of-use assets</u> from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of <u>Taiwanese</u> government bonds or bonds under repurchase and resale agreements, or subscription or redemption of <u>Taiwanese</u> domestic money market funds, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and the audit committee:</p> <ol style="list-style-type: none"> <li>1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</li> <li>2. The reason for choosing the related party as a trading counterparty.</li> <li>3. With respect to the acquisition of real property or <u>right-of-use assets</u> from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 15 and Article 16.</li> <li>4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.</li> <li>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the</li> </ol>	<p><b>Article 14</b> When the company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and the audit committee:</p> <ol style="list-style-type: none"> <li>1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</li> <li>2. The reason for choosing the related party as a trading counterparty.</li> <li>3. With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 15 and Article 16.</li> <li>4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.</li> <li>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the</li> </ol>	<p>Revision and text adjustment have been made in accordance with the amendment of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>

Amended article	Existing article	Explanation
<p>necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 25, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and the audit committee need not be counted toward the transaction amount.</p> <p>With respect to the acquisition or disposal of business-use equipment between the company and its subsidiaries, <u>or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital,</u> the company's board of directors may pursuant to Article 7, delegate the board chairman to decide such matters when the transaction amount is less than 20 percent of the company's paid-in capital or NT\$300 million and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p> <p>1. <u>Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</u></p> <p>2. <u>Acquisition or disposal of real property right-of-use assets held for business use.</u></p> <p>Where the position of independent director has been created in compliance with the provisions of the Act, when the discussion had</p>	<p>necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 25, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and the audit committee need not be counted toward the transaction amount.</p> <p>With respect to the acquisition or disposal of business-use equipment between the company and its subsidiaries, the company's board of directors may pursuant to Article 7, delegate the board chairman to decide such matters when the transaction amount is less than 20 percent of the company's paid-in capital or NT\$300 million and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p> <p>Where the position of independent director has been created in compliance with the provisions of the Act, when the discussion had</p>	

Amended article	Existing article	Explanation
<p>submitted to the Board of directors in accordance with paragraph 1, shall apply Article 32, paragraph 3.</p> <p>Where an audit committee has been established in compliance with the provisions of the Act, when the discussion shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution, all apply Article 32, paragraph 5.</p>	<p>submitted to the Board of directors in accordance with paragraph 1, shall apply Article 32, paragraph 3.</p> <p>Where an audit committee has been established in compliance with the provisions of the Act, when the discussion shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution, all apply Article 32, paragraph 5.</p>	
<p><b>Article 15</b> The company that acquires real property <u>or right-of-use assets</u> from a related party shall evaluate the reasonableness of the transaction costs by the following means:</p> <ol style="list-style-type: none"> <li>1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Taiwan Ministry of Finance.</li> <li>2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.</li> </ol> <p>Where land and structures thereupon</p>	<p><b>Article 15</b> The company that acquires real property from a related party shall evaluate the reasonableness of the transaction costs by the following means:</p> <ol style="list-style-type: none"> <li>1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Taiwan Ministry of Finance.</li> <li>2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.</li> </ol> <p>Where land and structures thereupon</p>	<p>Revision has been made in accordance with the amendment of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>

Amended article	Existing article	Explanation
<p>are combined as a single property purchased <u>or leased</u> in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>The company that acquires real property <u>or right-of-use assets</u> from a related party and appraises the cost of the real property <u>or right-of-use assets</u> in accordance with <u>the preceding two paragraphs</u> shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>Where the company acquires real property <u>or right-of-use assets</u> from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with <u>the preceding article</u> and the preceding three paragraphs do not apply:</p> <ol style="list-style-type: none"> <li>1. The related party acquired the real property <u>or right-of-use assets</u> through inheritance or as a gift.</li> <li>2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property <u>or right-of-use assets</u> to the signing date for the current transaction.</li> <li>3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.</li> <li>4. <u>The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</u></li> </ol>	<p>are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>The company that acquires real property from a related party and appraises the cost of the real property in accordance with <u>paragraph 1 and paragraph 2</u> shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>Where the company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with <u>Article 14</u> and the preceding three paragraphs do not apply:</p> <ol style="list-style-type: none"> <li>1. The related party acquired the real property through inheritance or as a gift.</li> <li>2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction.</li> <li>3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.</li> </ol>	
<p><b>Article 16</b> When the results of the company's appraisal conducted in accordance</p>	<p><b>Article 16</b> When the results of the company's appraisal conducted in accordance</p>	<p>Revision has been made in accordance with the</p>

Amended article	Existing article	Explanation
<p>with paragraph 1 and paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 17. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA has been obtained, this restriction shall not apply:</p> <p>1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>A. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>B. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market <u>sale or leasing</u> practices.</p>	<p>with paragraph 1 and paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 17. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA has been obtained, this restriction shall not apply:</p> <p>1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>A. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>B. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.</p>	<p>amendment of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>

Amended article	Existing article	Explanation
<p>2. Where the company acquiring real property, <u>or obtaining real property right-of-use assets through leasing</u>, from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>Completed transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property <u>or obtainment of the right-of-use assets thereof</u>.</p>	<p>C. Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices.</p> <p>2. Where the company acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>Completed transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.</p>	
<p><b>Article 17</b> Where the company acquires real property <u>or right-of-use assets</u> from a related party and the results of appraisals conducted in accordance with <u>the preceding two paragraphs</u> are uniformly lower than the transaction price, the following steps shall be</p>	<p><b>Article 17</b> Where the company acquires real property from a related party and the results of appraisals conducted in accordance with <u>Article 15 and Article 16</u> are uniformly lower than the transaction price, the following steps shall be taken:</p>	<p>Revision has been made in accordance with the amendment of the Regulations Governing the Acquisition and Disposal of Assets</p>

Amended article	Existing article	Explanation
<p>taken:</p> <ol style="list-style-type: none"> <li>1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property <u>or right-of-use assets</u> transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares in Taiwan. Where the company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of the company's equity stake in the other company.</li> <li>2. The audit committee shall comply with Article 218 of the Company Act.</li> <li>3. Actions taken pursuant to <u>the preceding two subparagraphs</u> shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</li> </ol> <p>When the company obtains real property from a related party, it shall also comply with the preceding paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.</p>	<ol style="list-style-type: none"> <li>1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares in Taiwan. Where the company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of the company's equity stake in the other company.</li> <li>2. The audit committee shall comply with Article 218 of the Company Act.</li> <li>3. Actions taken pursuant to <u>subparagraph 1 and sunparagraph 2</u> shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</li> </ol> <p>When the company obtains real property from a related party, it shall also comply with the preceding paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.</p>	<p>by Public Companies</p>
<p><b>Article 21</b> When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:</p> <ol style="list-style-type: none"> <li>1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers</li> </ol>	<p><b>Article 21</b> When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:</p> <ol style="list-style-type: none"> <li>1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers</li> </ol>	<p>Revision has been made in accordance with the amendment of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>



Amended article	Existing article	Explanation
<p>(or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.</p> <p>2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.</p> <p>3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.</p> <p>When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days commencing immediately from the date of passage of a resolution by the board of directors, its parent company shall report (in the prescribed format and via the Internet-based information system) the information on behalf of the company and set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.</p> <p>Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of <u>the preceding two</u></p>	<p>(or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.</p> <p>2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.</p> <p>3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.</p> <p>When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days commencing immediately from the date of passage of a resolution by the board of directors, its parent company shall report (in the prescribed format and via the Internet-based information system) the information on behalf of the company and set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.</p> <p>Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of <u>paragraphs 1 and</u></p>	

Amended article	Existing article	Explanation
<u>paragraphs.</u>	<u>2.</u>	
<p><b>Article 25</b> Public announcement and regulatory filing procedures :</p> <p>Under any of the following circumstances, the company acquiring or disposing of assets shall provide information to its parent company and make its parent company publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <ol style="list-style-type: none"> <li>1. Acquisition or disposal of real property or <u>right-of-use assets</u> from or to a related party, or acquisition or disposal of assets other than real property or <u>right-of-use assets</u> from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of <u>Taiwanese</u> government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds.</li> <li>2. Merger, demerger, acquisition, or transfer of shares.</li> <li>3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</li> <li>4. Where the type of asset acquired or disposed is equipment/machinery or <u>right-of-use assets</u> for business use, the trading counterparty is not a related party, and the transaction amount meets any of the following criteria: <ol style="list-style-type: none"> <li>A. For the Company whose paid-in capital is less than NT\$10 billion, the transaction amount</li> </ol> </li> </ol>	<p><b>Article 25</b> Public announcement and regulatory filing procedures :</p> <p>Under any of the following circumstances, the company acquiring or disposing of assets shall provide information to its parent company and make its parent company publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <ol style="list-style-type: none"> <li>1. Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds.</li> <li>2. Merger, demerger, acquisition, or transfer of shares.</li> <li>3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</li> <li>4. Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount meets any of the following criteria: <ol style="list-style-type: none"> <li>A. For the Company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or</li> </ol> </li> </ol>	<p>Revision and text adjustment have been made in accordance with the amendment of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>

Amended article	Existing article	Explanation
<p>reaches NT\$500 million or more.</p> <p>B. For the Company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, <u>and furthermore the transaction counterparty is not a related party</u>, and the amount the company expects to invest in the transaction is less than NT\$500 million.</p> <p>6. Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>A. Trading of <u>Taiwanese</u> government bonds.</p> <p>B. Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds issued by the Taiwanese Securities Investment Trust Enterprises</p> <p>The amount of transactions above</p>	<p>more.</p> <p>B. For the Company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to invest in the transaction is less than NT\$500 million.</p> <p>6. Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>A. Trading of government bonds.</p> <p>B. <u>Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets, or subscription of securities by a securities firm, either in the Taiwanese primary market or in accordance with relevant regulations.</u></p> <p>C. Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds issued by the Taiwanese Securities Investment Trust Enterprises</p> <p>The amount of transactions above shall be calculated as follows:</p>	

Amended article	Existing article	Explanation
<p>shall be calculated as follows:</p> <ol style="list-style-type: none"> <li>1. The amount of any individual transaction.</li> <li>2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.</li> <li>3. The cumulative transaction amount of real property <u>or right-of-use assets</u> acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.</li> <li>4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</li> </ol> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not public companies in Taiwan and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting</p>	<ol style="list-style-type: none"> <li>1. The amount of any individual transaction.</li> <li>2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.</li> <li>3. The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.</li> <li>4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</li> </ol> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not public companies in Taiwan and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing</p>	

Amended article	Existing article	Explanation
<p>inclusively from the date of knowing of such error or omission.</p> <p>The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company headquarters, where they shall be retained for 5 years except where another act provides otherwise.</p>	<p>of such error or omission.</p> <p>The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company headquarters, where they shall be retained for 5 years except where another act provides otherwise.</p>	
<p><b>Article 30</b> For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the <u>Taiwanese Regulations Governing the Preparation of Financial Reports by Securities Issuers</u> shall be used.</p> <p>In the case of a company whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted; <u>for calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.</u></p>	<p><b>Article 30</b> For the calculation of 10 percent of total assets under the Regulations, the total assets stated in the most recent the Company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.</p> <p>In the case of the Company or its subsidiaries whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of 20 percent of paid-in capital under the Regulations, 10 percent of equity attributable to owners of the parent shall be substituted.</p>	<p>Revision and text adjustment have been made in accordance with the amendment of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>