

GRAND OCEAN RETAIL GROUP LIMITED

2020 Shareholders Meeting Meeting Handbook

Date: Jun 17, 2020

Location: No. 231, Sec. 2, Jianguo S. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)

(Jianguo Campus, School of Continuing Education, Chinese Culture University)

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GRAND OCEAN RETAIL GROUP LIMITED

2020 Shareholders Meeting

Meeting Procedure

- I. Start Meeting
- II. Chairman's Address
- III. Report Items
- IV. Recognition Items
- V. Topic Discussions
- VI. Election Items
- VII. Other Topic Discussions
- VIII. A.O.B.
- IX. Adjournment

GRAND OCEAN RETAIL GROUP LIMITED

2020 Shareholders Meeting

Meeting Agenda

Time: 9:00AM, Jun 17(Wed), 2020

Location: No. 231, Sec. 2, Jianguo S. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.) (International Conference Hall, Jianguo Campus, School of Continuing Education, Chinese Culture University)

- Start Meeting
- II. Chairman's Address
- III. Report Items
 - (I) 2019 Business Report
 - (II) 2019 Audit Committee Annual Financial Statement
 - (III) 2019 Rewards Distribution to Employees and Board Members Report
 - (IV) Report of the "Corporate Social Responsibility Best Practice Principles" of the Company is provided here
 - (V) Report of the "Procedures for Ethical Management and Guidelines for Conduct" of the Company is provided here
 - (VI) Report of the "Code of Ethical Conduct" of the Company is provided here
 - (VII)Report of the "Rules of Board Meeting" of the Company is provided here
- IV. Recognition Items
 - (I) 2019 Business Report and Consolidated Financial Statements
 - (II) 2019Earnings Distribution
- V. Topic Discussions
 - (I) Amendment to Certain Articles of "Articles of Incorporation"
 - (II) Amendment to Certain Articles of "Procedures of Loaning Capital to Others"
 - (III) Amendment to Certain Articles of "Rules of General Meeting of Members"
- VI. Election Items:Full Re-election of Directors of Board
- VII. Other Topic Discussion: Relief of Competition Limitation for New Elected Directors
- VIII. A.O.B.
- IX. Adjournment

Topic 1: 2019Business Report

Ladies and Gentlemen:

Thanks for everyone for your kindly support as well as encouragement to Grand Ocean Retail Group Limited for such a long time as always. We are honored to be on behalf of the whole operating team to present the operational results and development in 2019 as well as operational strategies in 2020

1 > 2019 Operational Results:

Annual consolidated operating revenues of the group in 2019 was NT\$ 6,642,331 thousand, which grew by an increase of 2.86% than NT\$ 6,457,831 thousand in 2018; net income after tax in 2019 was NT\$ 603,637 thousand, which grew by an increase of 23.04% than NT\$ 490,621 thousand in 2018; earnings per share in 2019 was NT\$3.1.

2 > 2019 Operational Development:

In 2019, the Chinese retail business was in a stage of continuous transformation. Grand Ocean Group has always actively promoted the multi-industrial, cross-industrial, agglomerative, scenarized, and coordinated integration. By the utilization of IT, Grand Ocean Group has eminently developed quality sales, smart retail, and cross-retail, aiming at providing service of higher quality and efficiency, in order to meet the growing daily requirements from our consumers.

In 2019, we accomplished the major adjustments in the Nanjing Jiangbei Store and Hengyang Store, making the traffic flow in these two malls more rational to upgrade the settings completely. As a result, the comfort while shopping increased, and more customer groups, industries and brands were introduced. At the same time, we received recognition for these changes from our suppliers and consumers, and all the chain stores have recovered and are growing well. A whole new milestone marks the remarkable success by the comprehensive transformation of the operational thinking of Grand Ocean.

(1) Our Sales Department stands on its ground to be active, innovative, and creative. We have accomplished the brand upgrade at many stores. As for the investment invitation, we highlight the sales performance as the priority and aims at marketing to therefore choose our corresponding customers, which makes the Millennial Generation our new important customer source in



the future. Numerous cosmetics belonging to the top global brands are conducted (redecorated) into each store to meet the market requirements (trend of sustainably growing of cosmetics sales can be seen), as well as refresh and level up the image of our retail outlets, arousing the customer flow. All these measures effectively maintain the stability of our business performance.

The O2O (online to offline) strategy of our Group continues growing, accompanying with the release of Grand Ocean APP, Grand Ocean Big Data, Mini Program, WeChat Mall, MeiTuan Official Website Mall, and MeiTuan Catering and Shopping Center. Our focus is to expand live-streaming sales, including Tencent Live Streaming, DouYin for Enterprise and KuaiShou Commercial Platform, to reach the customer groups that usually watch these live broadcasts, as well as to extend and to introduce community sales via the WeChat platform for the enterprise. Furthermore, we cooperated with JingDong Home Express and MeiTuan Shopping Express for the integration of product delivery.

3 · 2020 Operational Strategies:

In 2020, our Company is aiming at the "younger mindset to satisfy the consumption requirements of experience demanded by the customers who have been seeking Western quality; informationized thoughts to realize the borderless fusion of human, product, store and technology." We are profoundly pursuing the change, and initiatively commenced the following:

- (1) Our very target in the future is to create the business pattern centralizing the experience of our customers. Big data as the prerequisite, we shall ultimately meet and identify the true needs desired of our consumers, to promote merchandise (product) based on users' (human) requirements, as well as to build the scenario of consumption for users (store), and to expand a broader and more comprehensive market through the O2O model (technology).
- (2) The overall plans and arrangements for all kinds of commercial promotion events at each store will be carried out. Not only planning for the six major vacations in China, including the Chinese New Year, May Day (Labor Day), Summer Sale, National Day of China, Anniversary, as well as Christmas and New Year's Eve, but also focusing more on other holidays and festivals. Focus on who you are marketing to, control the expenditure of each project, hold the market rhythm and purchase trend, as well as to use all kinds of innovative online promotion to gather our customers. Thus our popularity can be pulled up to increase the bag-in rate, and our sales performance can also be raised.

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Report Items

- (3) According to the planning and deployment of our Group, we have executed several adjustments which include: overall sales adjustment at Chongqing Store, business pattern transition of the 5F at Hengyang Store, set forming of the 8F and 9F as well as the peripheral area for new merchandise located on the 1F and 2F at Shiyan Store, schemes and projects of overall quality goods for the 1F at Fuzhou Store Hall 2, etc.
- (4) Change of Traditional Thinking, Expansion of Operational Idea. Each store has to make up its own business strategy depending on the actual situations, to profoundly comprehend the quintessence of new vision, new knowledge and new scenario in the era of new retail, as well as to lead the business by service, brand, experience, scenario, and boundlessness.
- (5) Under the framework of "better employee, simplified administration," our group is adamant about the systems of cadre examination and elite recruit, which is beneficial building a system for us to sift and choose the extraordinary talents, improving the entire qualities of our cadres and managers, keeping training and perfecting their business skills, to guarantee the stable increase of the comprehensive qualities of our Group.

GRAND OCEAN RETAIL GROUP LIMITED

Chairman: GUO JEN HAO

Manager: HUANG QING HAI

海黄印清

Accounting Supervisor: LI MIN FANG



Topic 2: 2019Audit Committee Annual Financial Statement

Audit Committee Audit Reports

The board has prepared the 2019 business report and consolidated financial statements, wherein the latter ones have been authorized to the KPMG Taiwan accountants Zhang Shu Ying as well as Lai Li Zhen and accomplished; the audit reports are issued here. Business report, consolidated financial statements and earnings distribution bill as above have been checked by the audit committee, and incompatibility is not yet found. Thus Article 14.4 of Securities Exchange Act as well as Article 219 of Company Act of R.O.C. are to be adopted for the report, please be informed.

Sincerely

GRAND OCEAN RETAIL GROUP LIMITED 2020 Shareholders Meeting

GRAND OCEAN RETAIL GROS

Audit Committee Coordinator: YEE SWEE CHO

Apr 28, 2020



Report Items

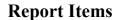
Topic 3: 2019 Rewards Distribution to Employees and Board Members Report

Board's Proposals

Descriptions:

- In accordance with the articles of the company, amounts of the rewards to employees and board members are listed as below, and shall be distributed by cash:
 - 1. Employee Rewards: 1.002% contributed, totally NT\$9,450,000.
 - 2. Board Member Rewards: 0.
- II. An estimate at NT\$ 9,430,035 for employee rewards is made in the financial statements 2019 of the company, and the board drafts the proposal to distribute NT\$ 9,450,000 for the rewards, where the difference of amount is NT\$ 19,965 increased.
- III. An estimate at NT\$ 4,715,017 for board member rewards is made in the 2019 financial statements of the company, and the board drafts the proposal to distribute NT\$0 for the rewards, where the difference of amount is NT\$ 4,715,017 decreased.
- IV. Reason for Difference: The estimated difference of amount recognized at the end of 2019.
- V. Treatment: The actual distributed amount shall be resolved in the 2020 shareholders meeting; if there is any deviation with the 2019 financial statements, then it will be seen as the changes in accounting estimates, and be recognized as the profit in 2020.

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Topic4: Report of the "Corporate Social Responsibility Best Practice Principles" of the Company is provided here.

Board's Proposals

Description:

- I. To practice the administration blueprint of the Company, to enhance the responsibilities of the enterprise managers, as well as to secure the legal rights and equity of the shareholders and other stakeholders, the CSR of the Company is stipulated as follows.
- II. Please refer to Page 10~18 of the handbook for comparison table of the articles.



GRAND OCEAN RETAIL GROUP LIMITED Corporate Social Responsibility Best Practice Principles

Chapter 1 General Principles

- Article1 In order to realize the corporate social responsibility, as well as to improve the economy, environment and social progress, the Company aims at sustainable development, therefore we follow the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies" to stipulate the principles to manage the risks and influence in regard with economy, environments, and society incurred by the Company.
- Article2 The principles are applicable to all the operating activities of the Company and the Enterprise Group.

The Company shall initiatively fulfill the CSR along with the enterprise operations to comply with the development of international community, to make contribution to improve the national economy, as well as to improve the life quality of the employee, community and society, developing the advantage of competition of the Company based on CSR.

Article3 The Company shall look after the rights and equity of the stakeholders when fulfilling the CSR, pursuing sustainable operation and profit, as well as emphasizing environment, society and corporate governance, where these elements shall be included into the management policies and operating activities of the Company.

The Company accords with the material principles to execute the risk assessments in regard with the issues of environment, society and corporate governance in regard with the operation, and formulates the relevant policies or strategies for risk management.

Article4 The Company obeys the following principles to fulfill our CSR:

- 1. Practice corporate governance.
- 2. Develop environmental sustainability.
- 3. Defend public welfare.
- 4. Reinforce disclosure of CSR information.
- Article5 The Company shall consider the relativity between the development trend of domestic/oversea CSR and the corporate core business, as well as the influence to the stakeholders through the comprehensive operating activities of the Company itself and the Enterprise Group, to stipulate the strategies, systems or relational administrative policies in regard to CSR, and the concrete promotion projects, as well as to report in the shareholders' meeting



after the Board approves.

When the shareholder makes any proposals concerning CSR, the Board of the Company shall take them into consideration and classify them as the bills in the shareholders' meeting.

Chapter 2 Practice Corporate Governance

- Article6 The Company shall obey the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies, Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, as well as Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies, to establish the effective governance framework and related ethical codes to strengthen the overall corporate governance.
- Article7 The Directors of the Board of the Company shall be fully obligated to the administrators with goodness and honesty, urging the implementation of CSR, as well as examining the performance and continual improvement thereof whenever, to ensure the full practice of CSR.

The Directors of the Board of the Company will plentifully consider the benefits of the stakeholders when executing the CSR, which include the items as follows:

- 5. To provide the mission or prospects of CSR, as well as to stipulate the strategies, systems or relational administrative policies in regard to CSR.
- To bring CSR into the operating activities and developing direction of the Company, as well as to formulate the concrete promotion projects related to CSR.
- 7. To ensure the promptness and correctness of the disclosed information in regard with CSR.

All the economic, environmental and social issues incurred by the operating activities of the Company shall be dealt with by the senior executives who are authorized by the Board of Directors; the progress will be reported to the Board, where the process, flow and all the related responsible personnel should be correctly specified.

- Article8 The Company will regularly hold the training and education programs of CSR implementation, including the propaganda of the two articles in the preceding paragraphs.
- Article9 To strengthen the CSR management, the Company will found the specific (or concurrent) organ to promote CSR, which will be responsible for the provision and execution of the strategies, systems or relational administrative policies in



regard to CSR, as well as reporting to the Board of Directors periodically.

The Company will formulate the reasonable policies for compensation and remuneration to guarantee that the relevant schemes can match the strategic target of the organization and the interests of the stakeholders.

The system of employee performance examination of the Company shall be tied to the CSR strategies, and the precise and effective system of reward and punishment shall be established.

Article10The Company shall respect to the rights and equity of the stakeholders, and identify the stakeholders. Also, the specific zone for stakeholders will be founded on the website of the Company. Through the appropriate communication, we shall understand the reasonable expectations and requirements from the stakeholders, and properly answer the material CSR issues about what have been concerned.

Chapter 3 Develop Environmental Sustainability

- Article11 The Company shall follow the environment-related regulations and international standards to appropriately make efforts to protect our natural environment, as well as to devote to accomplishing the target of environmental sustainability while performing the operating activities and internal management.
- Article12 The Company will make efforts to increase utilization efficiency of each resource, and to use recycled materials with lower burden and impact towards the environment, realizing sustainable utilization of the resources belonging to the Earth.
- Article13 The Company will build the suitable environmental administration system based on the characteristics of each industry, including:
 - To collect and estimate sufficient and real-time information about the outcomes of our natural environment influenced by the operating activities.
 - 2. To build the measurable target for environmental sustainability, as well as to periodically review the sustainability and relativity of the development thereof.
 - 3. To stipulate concrete plans, actions or projects, as well as to periodically review the implementation and performance thereof.
- Article14 The Company will designate the specific organ or personnel to be responsible for environmental administration, as well as to draw up, promote

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and maintain the operation of the related environmental administration system and concrete actions and projects thereof; also, environmental education program will be periodically held for the management and employees.

- Article15 The Company will consider the influence of the corporate operation towards ecological efficiency, as well as promoting and propagandizing the concept of sustainable consumption. In addition, any operating activities including R&D, purchase, production, task and service will comply with the principles as follows to reduce the impact towards our natural environment and humanity incurred by the corporate operation:
 - 1. Reduce consumption of resource and energy of products and service.
 - 2. Reduce and well treat emissions of pollutant, toxic substance and waste.
 - 3. Improve recyclability and reuse of crude materials and products.
 - 4. Expand sustainable utilization of recyclable resources to the max level.
 - 5. Expand product durability.
 - 6. Improve effectiveness of products and service.
- Article16 The Company shall utilize the water resource properly and sustainably, and stipulate the related administrative measures to raise the usage efficiency of water.

The Company shall build and enhance the treatment facilities concerning environmental protection to prevent pollution on water, air and lands. Also the Company shall make the best efforts to reduce all the disadvantageous influences which might impact human health and environment, and to adopt the optimal and practical measures of pollution prevention and control.

Article17 The Company will assess the potential risks and opportunities brought by climate change towards the enterprise for now and for the future, to adopt the countermeasures thereof to answer the climate-related issues.

The Company will adopt the standards or guidelines applicable to both the domestic and oversea regions, in order to examine the emissions of the corporate greenhouse gases (GHGs) and to have them disclosed, where the categories include:

- Direct GHG Emissions: The sources of GHG emission owned or controlled by the Company.
- Indirect GHG Emissions: The electricity, heat or vapor purchased from any suppliers for the utilization by the Company.
 The Company will calculate the GHG emissions, volume of water



consumption, and total weight of the waste, to formulate the policies in regard with energy saving and reduction of GHGs and water consumption, as well as management of other waste. Furthermore, acquisition of Carbon Rights will be introduced into the strategies and schemes for carbon reduction of the Company, and be pushed to ease the impact caused by the corporate operating activities towards climate change.

Chapter 4 Defend Public Welfare

Article18 The Company shall fully accord with all the related laws, regulations and the International Bill of Human Rights, protecting the fundamental human rights such as gender equity, right to work, prohibition of discrimination, etc.

The Company shall stipulate the related administrative policies and procedures to fulfill its responsibility to protect human rights, which include:

- 1. To provide the corporate policies or statements in regard with human rights.
- 2. To estimate the influence caused by the corporate operating activities and internal management towards human rights, as well as to formulate the corresponding treatment process.
- 3. To regularly review the actual performance of the corporate policies and statements in regard to human rights.
- 4. The treatment process to the stakeholders who are involved shall be disclosed when the fundamental human rights have been encroached.

The Company shall follow the labor rights recognized by international community, e.g. freedom of association, right to collective bargaining, care for underprivileged groups, forbiddance of child labor, as well as elimination of every kind of forced labor and discrimination by hire and employment. Also, the Company shall guarantee there will be no discrimination due to gender, race, social and economic hierarchy, age, marriage and family status by the strategies in regard with utilization of human resources, in order to approach fairness and justice for occupation, recruitment conditions, compensation and remuneration, labor welfare, training, performance appraisal, as well as promotion.

The Company shall provide the appeal system with effectiveness and appropriateness for any matters concerning encroachment on labor rights, to ensure the appeal process to be fair and transparent. The appeal channel shall be easy, quick and fluent, where the answers to the appeals deriving from the employees shall be adequate.

Article 19 The Company shall provide the information to the employees to let them



understand the local labor laws as well as the rights they have in the countries where the corporate operation is located.

The Company will create the safe and healthy working environments for the employees, which include health and first-aid facilities in need, and make the efforts to lower the hazard factors affecting the safety and health of the employees, preventing occupational injury.

The Company will regularly launch the training and education programs of safety and health to the employees.

Article20 The Company will create the good environments and establish the effective training programs of occupational abilities for the employees to develop their own careers.

The Company shall stipulate and implement the rational employment welfare systems (including compensation and remuneration, vacation and others), as well as adequately reflecting the operational performance or outcomes to the remuneration belonging to the employees, to ensure the optimal operation of human resources, e.g. recruitment, post retaining and encouragement, as well as to approach our target at sustainable operation.

Article21 The Company shall establish the channels to periodically communicate with the employees, making them capable of claiming their rights to acquire the information as well as to represent their ideas on the activities and strategies of the corporate operation and management.

The Company shall respect the rights of the employee representative to negotiate due to the working conditions, as well as providing the necessary information, hardware and facilities to the employees, in order to improve the consultation and cooperation between the Company, employees and employee representative.

The Company shall inform the employees any operational change that might cause material influence in the rational way.

Article 22 Section 1 The Company will treat the customers or consumers who purchase our products or utilize our service in the fair and reasonable way, which include several principles such as fair and good faith contract, duty of care and loyalty, customer attraction with non-exaggerated advertisement, conformity of commodity and service, notification and disclosure, balance of remuneration and sales performance, appeal protection, and professionalism of sales, as well as formulating the related execution strategies and concrete measures.

Article22 The Company shall be obligated to the products and service, as well as



emphasizing sales ethics. Where the R&D, purchase, production, task and service flow shall ensure the information transparency and safety in regard to the products and service; also the policies concerning consumer rights shall be stipulated, open, and practiced in the operating activities, to prevent the encroachment on the rights, health and safety of the customers by our products or service.

Article23 The Company shall guarantee the qualities of the products and service in accordance with the related laws and regulations enacted or defined by the governments and industries.

The Company shall follow the related regulations and international standards to look after the health and safety of the customers, consumer privacy, marketing and labeling of the products and service. There will be no tolerance on deception, misleading, fraud, or, any other behaviors which may break consumers' trust or encroach consumer rights.

Article24 The Company will appraise and manage various risks which might interrupt the corporate operation to lower the impact incurred thereof on the consumers and society.

The Company will provide the transparent and effective procedure of consumer appeal for our products and service, where the consumer appeals shall be dealt with by fairness and promptness, also the Personal Data Protection Act shall be accorded, to truly respect the consumer privacy as well as to protect the personal information provided by the consumers.

Article25 The Company will assess the influence brought by the purchase on the community environment and society of the source, and cooperate with the suppliers together to devote to fulfilling the CSR.

The Company will formulate the policies of supplier administration, and request the suppliers to obey the relevant regulations in regard with environmental protection, occupational safety and health as well as labor rights. Before the commercial interactions, the Company will estimate whether the suppliers have had any records of notorious deeds on environment or society, to avoid transacting with those who violate the CSR.

The content of all the contracts cosigned by the Company and its major suppliers shall include the CSR policies which both parties must follow, as well as the article to set the prerequisite that enables the Company to terminate or release the contracts anytime if the suppliers violate the policies and therefore cause significant influence on the community environment and society of the source.

Article26 The Company shall assess the influence of the corporate operation on the



community, and properly recruit the local manpower where the operation takes place to arouse the identification by the community.

The Company will launch the resources into the organizations which solve social or environmental problems by business model, or, partake in the relational activities launched by the civic organizations involving community development and education, charitable organizations or organs of government, to improve community development through equity investment, commercial event, donation, enterprise volunteer and other professional public welfare services.

Chapter 5 Reinforce Disclosure of CSR Information

Article27 The Company shall comply with the relevant regulations as well as the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies to disclose information, and sufficiently disclose all the related CSR information with relativity and reliability, to raise the transparency of information.

The Company discloses the CSR related information, which is as follows:

- 1. The strategies, systems, relevant administrative policies or concrete promotion projects resolved by the Board.
- 2. The risks and effects on the corporate operation and financial status which are incurred due to practicing corporate governance, developing environmental sustainability or defending public welfare.
- The targets and measures of the CSR stipulated by the Company, as well as the implementation and performance thereof.
- 4. The issues concerning and concerned by the major stakeholders.
- 5. The disclosure of the management and performance of the major suppliers in regard to material environmental and social issues.
- 6. Other relational CSR information.
- Article28 The Company shall adopt the standards or guidelines which have broadly been approved by international community to compile the CSR statements, which disclose the situations of CSR promotion; also, the Company will acquire the confirmation or guarantee from a third party to raise the information reliability. The content thereof shall contain:
 - 1. The strategies, systems, relevant administrative policies or concrete promotion projects in regard with CSR implementation.
 - 2. The issues concerning and concerned by the major stakeholders.
 - 3. The implementation and performance as well as the review in regard



- with practicing corporate governance, developing environmental sustainability, defending public welfare and improving economic development.
- 4. The directions and targets of improvement in the future.

Chapter 6 Supplementary Provision

- Article29 The Company shall pay attention to the development of the related principles by domestic and oversea CSR as well as the change of enterprise environment, review and improve the CSR system built by the Company to increase the effectiveness of CSR performance.
- Article30 The principles shall be performed after the Board ratifies them, so shall be the amendments.





Topic5: Report of the "Procedures for Ethical Management and Guidelines for Conduct" of the Company is provided here.

Board's Proposal

Description:

- I. To practice the administration blueprint of the Company, to enhance the responsibilities of the enterprise managers, as well as to secure the legal rights and equity of the shareholders and other stakeholders, the "Procedures for Ethical Management and Guidelines for Conduct" of the Company is stipulated as follows.
- II. Please refer to Page 20~28 of the handbook for comparison table of the articles.



GRAND OCEAN RETAIL GROUP LIMITED Procedures for Ethical Management and Guidelines for Conduct

Article1 The Company is engaged in commercial activities based on the principles of fairness, honesty, faith and transparency. Moreover, in order to practice the policies for ethical management, as well as to initiatively prevent any unethical behaviors, the Company stipulates the procedures and guidelines for conduct to specifically regulate the precautions for its own corporate business practitioners according to the ethical corporate management principles of the Company, as well as the related local laws of the regions where the operation of the Company and Enterprise Group takes place.

The procedures and guidelines for conduct are applicable to the subsidiaries of the Company, consortiums as a juridical person which are directly or indirectly contributed by over 50% of the total funds, as well as other organizations or juridical persons which the Company has substantial control.

Article2 The personnel of the Company designated in the procedures and the guidelines for conduct means the Company and Enterprise Group, Board of Directors, managers, employees, trustees, as well as anyone who has substantial control.

Any personnel of the Company who provide, commit, request or receive any inadequate benefits through a third party will be considered as the behavior of the personnel of the Company.

Article3 The unethical behavior implied in the procedures and the guidelines for conduct means the personnel of the Company directly or indirectly provide, receive, commit or request any inadequate benefits, or, implement any other matters that are violation of ethics, illegal or violation of fiduciary duties, in order to obtain or sustain the benefits thereof when exercising their duties.

The subjects described in the preceding item include public officials, political candidates, parties or party members, as well as any public or private firms or organizations, and the board members (directors), managers, employees, people who have substantial control or other stakeholders thereof.

- Article4 The benefits indicated in the procedures and the guidelines for conduct means the money, gifts, presents, commissions, posts, service, preferential treatment, kickbacks, facilitating payments, corporate hospitality, social niceties and other valuable objects by any means in any names.
- Article5 The Company designates the Department of Administration of Shanghai Headquarter as the Dedicated Unit (hereinafter "CDU"). The business scope of the CDU is subordinate to the Board, where sufficient resources and appropriate personnel shall be assigned to deal with the matters in the procedures and the guidelines for conduct in regard with the amendment, execution, interpretation,



consultation thereof, as well as to report the content, registration and filing, and supervise the execution thereof. The main items charged by the CDU are as follows, of which the CDU shall periodically (once for a year at least) report to the Directors of the Board:

- 1. Assist to blend ethical and moral value into the operational strategies of the Company, as well as complying with laws and systems to regulate and to guarantee related prevention measures for ethical corporate management.
- 2. Periodically analysis and appraise any risks brought by unethical behaviors within business scope, as well as stipulating proposals to prevent unethical behaviors accordingly, and formulating business related procedures and guidelines for conduct in each proposal.
- 3. Plan for internal organizations, forms and posts, and establish balancing system of mutual supervision for any operating activities with higher risks of unethical behaviors.
- 4. Promote and coordinate propaganda and training in regard with ethical policies.
- 5. Plan for whistleblowing system and ensure the executive effectiveness thereof.
- Assist the Board and management to examine and appraise whether the
 preventive measures established to fulfill ethical corporate management
 effectively functions or not, as well as regularly assessing the outcomes
 thereof and compiling the reports.
- 7. Make and well store policies in regard with ethical corporate management, and documents related to the contextual statements, practice of the commitment and execution thereof.
- Article6 The personnel of the Company shall comply with the ethical corporate management principles of the Company and the procedures and guidelines for conduct, as well as following the related procedures when providing, receiving, committing or requesting the "benefits" defined in Article 4 unless:
 - Matters based on business necessity, when paying visit domestically or oversea, providing hospitality to foreign guests, promoting business as well as communicating and negotiating, according to local courtesy, conventions or customs.
 - 2. Participating in or being invited to normal social activities based on normal social courtesy and customs, business purposes, or, improvement of relationship.
 - 3. Participating in or being invited to specific business events, factory tours, etc. based on business necessity, where the way to pay the expenditure thereof, numbers of participants, accommodation levels and terms have been clearly specified before the events.
 - 4. Participating in open folk festivals or events to which general public are also invited.



- 5. Bonuses, emergency allowances, consolation money or gratuities for supervisors.
- 6. Property received due to engagement, marriage, giving birth, house moving, office taking, promotion, retirement, resignation, office leaving, as well as injury, illness or demise of the staff himself/herself, his/her spouse or direct relatives, of which the market value thereof shall not exceed the reasonable value under the range of normal social courtesy and customs. Also, all the matters described as above are incidental and do not concern any influence on specific rights and duties.
- 7. Other matters complying with the regulations of the Company.
- Article7 Except for the conditions listed as above, the Company shall follow the procedures listed as follows to deal with those who directly or indirectly provide or commit the benefits defined in Article 4:
 - 1. The personnel who provide or commit and who are not the stakeholders related to the posts, should report to the line supervisors thereof within three days after receiving; also the CDU should be informed if necessary.
 - The personnel who provide or commit and who are the stakeholders related to the posts, should return or reject the benefits, as well as reporting to the line supervisors thereof and informing the CDU. In case the benefits cannot be returned, the personnel should hand to the CDU within three days after receiving.

The "stakeholders related to the posts" described in the preceding item contains the situations as follows:

- 1. Relative parties of commercial intercourse, direction, supervision or allowances (bonuses) for expenditure.
- 2. Relative parties who are seeking, performing, or, have already made or merchandised contracts.
- 3. Other matters which are advantageous or disadvantageous depending on whether the business of the Company is to be executed or not.

The CDU shall review the characters and values deriving from the first item to propose to return, to receive by payments, to confiscate, to pass on a present to charitable organizations, or, any other appropriate suggestions; afterwards the CDU shall report to the President for the approval and then perform the execution.

Article8 The Company will not provide or commit any facilitating payments. If the personnel of the Company have been threatened or intimidated to provide or commit the facilitating payments, the process thereof should be recorded and reported to the line supervisors, and the CDU should be informed.

The CDU shall deal with the cases described as in the previous item immediately once the CDU receives the reports, and review the related matters to reduce the risks of the recurrence.



If there are any illegal matters found, the judiciary shall be immediately reported.

- Article9 The Company offers political donations, that will be reported to the President for the approval and informed to the CDU, as well as that will be reported to the Board for the ratification when the amounts of donations exceed NTD500 thousand. The Company shall follow the rules listed as follows to deal with:
 - 1. The related laws and regulations of the countries where the recipients of political donations shall be accorded, including the top limits and forms thereof.
 - 2. The policies should be documented in writing.
 - 3. Political donations shall enter into the accounts in compliance with laws, regulations as well as accounting related processes.
 - 4. When providing political donations, any items in regard to commercial intercourse, application for permission, or conducting of the matters which involve the corporate benefits, shall be avoided.
- Article10 The Company offers charitable donations or patronage, that will be reported to the President for the approval and informed to the CDU, as well as that will be reported to the Board for the ratification when the amounts of donations or patronage exceed NTD500 thousand. The Company shall follow the rules listed as follows to deal with:
 - 1. The local laws and regulations of the regions where the operation takes place shall be accorded.
 - 2. The policies should be documented in writing.
 - 3. Charitable organizations shall be the targets of charitable donations or patronage, and transformed bribery will not be tolerated.
 - 4. Feedbacks acquired thereof must be clear and rational, as well as that the targets of feedbacks must not be the ones who have commercial intercourse, or, are relevant to the corporate benefits.
 - 5. Purposes of charitable funds shall be confirmed to guarantee the utilization thereof matches the intentions of patronage after donating or patronizing.
- Article11 The Directors of the Board, managers and other stakeholders who are the attendees or guests in a Board Meeting shall explain the material content of the stakes of which they or the juridical persons they represent for the bills agendized in the current meeting. If there is concern to endanger the corporate benefits by the content, the subjects thereof shall not be permitted to join the discussion and vote, as well as that the subjects have to avoid the discussion and vote, and neither can the subjects represent other Directors to perform their rights to vote.

The Directors of the Board should also be self-disciplined and not back with each other.

Spouse and relatives within second-degree of the Directors of the Board, or,



companies with dominant-subordinate relationships with the Directors of the Board, that have stakes with the meeting items indicated in the preceding paragraphs, shall be seen as the stakes of the Directors of the Board their own.

If the personnel of the Company find any conflicts of interest with himself/herself or the juridical persons he/she represents, or, any circumstances from which himself/herself, his/her spouse, parents, children or other related stakeholders can acquire improper benefits when dealing with the corporate affairs, should report the matters to both the line supervisors and the CDU, as the line supervisors shall provide appropriate guidance.

The personnel of the Company shall not be allowed to conduct the corporate resources to any commercial activities otherwise the Company, and the work performance thereof should not be affected due to the participation in any commercial activities otherwise the Company.

Article12 All the departments of the Company shall pay attention to manage, store and keep the intellectual property confidential, such as the trade secrets, trademarks, patents and copyrights belonging to each department. Also all the corporate trade secrets shall not be allowed to disclosed to others, as well as that inquiry or collection of the corporate trade secrets which are not relevant to ones' posts shall be prohibited.

The personnel of the Company shall obey the related laws and regulations in regard with intellectual property, corporate internal SOPs and contracts when dealing with the corporate affairs. Any behaviors concerning utilization, disclosure, disposal, impairment or encroachment of intellectual property shall not be tolerated unless the owners thereof approve it.

- Article13 The Company shall follow the Fair Trade Act as well as the relational laws and regulations to not to fix prices, manipulate bids, restrain productivity and quotas, nor, to share or split the markets by dividing consumers, suppliers, operational regions or commerce categories, when the Company is performing the operating activities.
- Article14 The Company shall follow the relational laws, regulations and international standards for the products and service of provision, as well as gathering, understanding and summarizing the precautions for the announcements to make the personnel of the Company understand the processes of R&D, purchase, manufacture, provision and sales further towards our own products and service, and guaranteeing the information transparency and safety of the products and service.

The Company shall establish the specific zone for stakeholders on the official corporate website to prevent our products or service, directly or indirectly, endanger the rights, health and safety of the consumers or other stakeholders.

The Company shall immediately retrieve the relevant products or stop the



relational service, launch the investigation to identify the truth, and submit the improvement by review, if the media report, or, there are sufficient evidence to prove, that there is concern about our products or service endangering the safety and health of the consumers or other stakeholders.

The CDU shall report to the Board of Directors about the details of the preceding matters, the ways to deal with, as well as the subsequent review and improvement thereof.

Article15The personnel of the Company shall follow the regulations defined in the Securities and Exchange Act, and shall not utilize the undisclosed information known to the personnel to perform the insider trading, nor to disclose to anyone to prevent other people from using the undisclosed information to perform the insider trading.

Any other organizations or personnel that partake in merger, demerger, takeover and transfer of shares, important memorandum, strategic alliance, other business cooperation projects or material contracts, shall cosign the non-disclosure agreement (NDA) with the Company, committing to not to disclose any trading secrets or other material information of the Company to others; furthermore, the relevant information will not be allowed to use unless the Company approves it.

Article16 The Company shall request the Directors and senior executives to make the statements in regard with ethical corporate management, also requests the employees to obey the policies of ethical corporate management as a condition of employment.

The Company shall disclose the policies of ethical corporate management in the Internal Regulations, Annual Reports, official website, other leaflets or brochures, as well as adequately declaring the policies in product launches, institutional investors conferences, etc., to make all the suppliers, customers or other business related organizations and the personnel thereof understand the ideas and norms in regard with ethical corporate management of the Company.

Article17 The Company shall first appraise the legitimacy and ethical management policies of the agents, suppliers, customers or other subjects which have commercial intercourse with the Company, as well as reviewing if the subjects have ever involved in any unethical behaviors, in order to ensure the business management of the subjects is fair and transparent, and bribery will not be requested, provided, or received.

The Company will adopt the appropriate procedures of examination to review the subjects of commercial intercourse when appraising the preceding item, as well as to understand the ethical management status thereof:

1. Country, operational region, organization and structure, administrative policies as well as place of payment of the enterprise.



- 2. Whether the enterprise stipulates the ethical management policies or not, as well as the execution conditions thereof.
- 3. Whether the country where the operational region of the enterprise is located has higher risks of corruption.
- 4. Whether the business scope of the enterprise has higher risks of bribery.
- 5. Long-term operational status as well as goodwill of the enterprise.
- 6. Comments on the enterprise inquired from other business partners.
- 7. Whether the enterprise has ever involved in any unethical behaviors such as bribery or illegal political donations.
- Article18 The personnel of the Company shall interpret the policies and relevant regulations in regard to ethical management of the Company to the counterparties when engaging in commercial activities, as well as adamantly rejecting to directly or indirectly, provide, commit, request or receive any inadequate benefits by any means in any names.
- Article19The personnel of the Company shall avoid engaging in commercial activities with any agents, suppliers, customers or other business counterparties who have involved in unethical behaviors. Commercial intercourse with any business or cooperative counterparties who have been found to be unethical shall be promptly terminated, and the counterparties thereof will be subject to rejection, in order to fulfill the policies of ethical corporate management.
- Article20 The Company shall fully understand the ethical management status of the counterparties before signing the contracts, as well as following the related principles to conclude ethical corporate management of the Company in the articles of the contracts, which shall at least include the items listed as follows:
 - 1. If any party is aware of that there is certain person violating the articles to receive commissions, kickbacks or other inadequate benefits, the party shall promptly report to the other party based on the facts about the identity, provision, commitment, ways of request or reception, amount, or, other inadequate benefits, as well as providing the relevant evidence thereof to cooperate with the other party for the investigation. If one party is harmed thereupon, the party is able to request for the compensation thereof to the other party, where the amount will be fully deducted from the payable price specified in the contract.
 - 2. If there is any party involving with any unethical matters in the commercial activities, the other party will be able to unconditionally terminate or cancel the contracts any time.
 - 3. Content in regard with payment in the contracts must be defined clearly and rationally, including the locations, methods, relational laws and regulations concerning taxes, etc.



Article21 The Company urges both the internal and external personnel to whistle-blow any unethical or inadequate behaviors. Furthermore, adequate rewards shall be granted to the whistleblowers depending on the seriousness of the matters. If there is any internal person found to misreport or maliciously accuse the matters, disciplinary punishment shall be implemented upon the false accuser; in case of severe circumstances, this person shall be dismissed from the office.

The Company shall establish the email and direct line in official corporate website and the internal website for the external and internal personnel to utilize, respectively.

The information provided by the whistleblower should at least include:

- Name and ID number of the whistleblower (anonymous whistle-blowing is allowable), as well as address, phone number and email which can be used to contact the whistleblower.
- 2. Name or other adequate information which can be used to identify the informed party.
- 3. Specific facts available for investigation.

Company personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. This Corporation also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing.

The CDU shall observe the following procedure:

- 1. An information shall be reported to the department head if involving the rank and file and to an Independent Director or supervisor if involving a Director or a senior executive.
- The CDU and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.
- 3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
- 4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
- 5. With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.



- The CDU shall submit to the Board of Directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.
- Article22 If any personnel of the Company discovers that another party has engaged in unethical behaviors towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Company shall additionally notify the governmental anti-corruption agency.
- Article23 The CDU shall organize the awareness sessions and arrange for the Chairperson, President, or senior management to communicate the importance of ethics to its Directors of the Board, employees, and mandataries.

The Company shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of the Company seriously violates ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company.

The Company shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article24 The Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the Board of Directors, and shall be delivered to each supervisor and reported to the shareholders meeting.

When the Procedures and Guidelines are submitted to the Board of Directors for discussion, each Independent Director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the Board of Directors meeting. An Independent Director that is unable to attend a Board Meeting in person to express objection or reservation shall provide a written opinion before the Board Meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the Board of Directors Meeting.



Report Items

Topic6: Report of the "Code of Ethical Conduct" of the Company is provided here.

Board's Proposal

Description:

- I. To fulfill the blueprint of the corporate governance as well as our corporate ethics, the "Code of Ethical Conduct" of the Company is regulated here.
- II. Please refer to Page 30~32 of the handbook for comparison table of the articles.



GRAND OCEAN RETAIL GROUP LIMITED Code of Ethical Conduct

- Article1 The Guidelines are adopted for the purpose of encouraging the Directors and managers of the Company (including President or the equivalents, Vice President or the equivalents, AVP or the equivalents, CFO, CAO, as well as other persons authorized to manage affairs and sign documents on behalf of the Company) to act in line with ethical standards, and to help interested parties better understand the ethical standards of the Company, hence the Guidelines are stipulated here to follow.
- Article2 Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the Company, as for example when a Director, Independent Director, or managerial officer of the Company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the Company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the second degree of kinship. The Company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, supervisor, or managerial officer works. The Company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for directors, Independent Directors, and managerial officers to voluntarily explain whether there is any potential conflict between them and the company.
- Article3 The company shall prevent its directors, supervisors, or managerial officers from engaging in any of the following activities: (1) Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions; (2) Obtaining personal gain by using company property or information or taking advantage of their positions; (3) Competing with the Company. When the Company has an opportunity for profit, it is the responsibility of the Directors, Independent Directors, and managerial officers to maximize the reasonable and proper benefits that can be obtained by the Company.
- Article4 The Directors, supervisors, and managerial officers of the Company shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or the suppliers and customers.



- Article5 Directors, supervisors, and managerial officers shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.
- Article6 All Directors, supervisors, and managerial officers have the responsibility to safeguard the Company's assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the Company's profitability.
- Article7 The Company shall respect the society of diversity, and recruit the employees fair and just. Any differential treatments, or, any kinds of discrimination due to gender, race, religion, political party, sexual orientation, occupational rank, nationality or age shall not be tolerated.
- Article8 The Company shall provide its personnel the safe and healthy working environments. The personnel of the Company shall together safeguard the safe and healthy working environments. Any behaviors in regard with sexual harassment, other violence, threat or intimidation shall not be tolerated.
- Article9 The personnel of the Company shall follow the Securities Exchange Act and other relevant laws and regulations.
- Article10 The Company shall raise awareness of ethics internally and encourage employees to report to a Independent Director, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system and make employees aware that the company will use its best efforts to ensure the safety of informants and protect them from reprisals.
- Article11When a Director, Independent Director, or managerial officer violates the code of ethical conduct, the Company shall handle the matter in accordance with the disciplinary measures prescribed in the code, and shall without delay disclose on the Market Observation Post System (MOPS) the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken. If a violator indicated in the preceding item has any objection towards the punishment by the Company, it is advisable that the



Company should establish a relevant complaint system to provide the violator with remedies.

- Article12 The code of ethical conduct adopted by the Company must require that any exemption for Directors, Independent Directors, or managerial officers from compliance with the code be adopted by a resolution of the Board of Directors, and that information on the date on which the Board of Directors adopted the resolution for exemption, objections or reservations of Independent Directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the Board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the Company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.
- Article13The Guidelines as well as the amendments hereto shall be disclosed in the official corporate website, Annual Reports, prospectus, and MOPS.
- Article14The Guidelines as well as the amendments hereto shall be delivered to each Independent Director and shareholders meeting after the Board Meeting ratifies to perform them.



Report Items

Topic7: Report of the "Rules of Board Meeting" of the Company is provided here.

Board's Proposal

Description:

- I. In compliance with the recent act amendments and considering practical operations for the company, a proposal is made here to amend the certain articles of "Rules of Board Meeting" of the company.
- II. Please refer to Page 34~36 of the handbook for comparison table of the articles.



Comparison Chart of the Rules of Board Meeting of GORG

	Amendment	Current Article	Description
	, initialism		
Article 7	Board Meetings of the Company shall be convened and chaired by the Chairperson of the Board. However, with respect to the first Meeting of each newly elected Board of Directors, it shall be called and chaired by the Director that received votes representing the largest portion of voting rights at the shareholders meeting in which the Directors were elected; if two or more Directors are so entitled to convene the Meeting, they shall select from among themselves one Director to serve as Chairperson. Where a Meeting of the Board of Directors is called by a majority of Directors on their own initiative in accordance with Article 203. paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the Directors shall choose one person by and from among themselves to Chairperson the Meeting. When the Chairperson of the Board is on leave or for any reason is unable to exercise the powers of the Chairperson, the Vice Chairperson also is on leave or for any reason is unable to act, by a Managing Director designated by the Chairperson, or, if there is no Vice Chairperson, or, if there is no Managing Director, by a Director designated thereby, or, if the Chairperson does not make such a designation,	Board Meetings of the Company shall be convened and chaired by the Chairperson of the Board. However, with respect to the first Meeting of each newly elected Board of Directors, it shall be called and chaired by the Director that received votes representing the largest portion of voting rights at the shareholders meeting in which the Directors were elected; if two or more Directors are so entitled to convene the Meeting, they shall select from among themselves one Director to serve as Chairperson. When the Chairperson of the Board is on leave or for any reason is unable to exercise the powers of the Chairperson shall do so in place of the Chairperson, or, if there is no Vice Chairperson also is on leave or for any reason is unable to act, by a Managing Director designated by the Chairperson, or, if there is no Managing Director, by a Director designated thereby, or, if the Chairperson does not make such a designation, by a Managing Director or Director elected by and from among themselves.	Pursuant to the laws and regulations for amendment.

大洋百货 Report Items Amendment **Current Article** Description S by a Managing Director or Director elected by and from among themselves. Pursuant to Article 15 If any Director or a juristic If any Director or a juristic the laws and person represented by a person represented by a regulations Director is an interested Director is an interested for party with respect to any party with respect to any amendment. agenda item, the Director agenda item, the Director shall state the important shall state the important aspects of the interested aspects of the interested party relationship at the party relationship at the respective Meeting. When respective Meeting. When the relationship is likely to the relationship is likely to prejudice the interests of the prejudice the interests of the Company, the Director may Company, the Director may not participate in discussion not participate in discussion or voting on that agenda or voting on that agenda item, and further, shall enter item, and further, shall enter recusal during discussion recusal during discussion and voting on that item and and voting on that item and may not act as another may not act as another Director's proxy to exercise Director's proxy to exercise voting rights on that matter. voting rights on that matter. Spouse and relatives within Any Directors who are not second-degree of the allowed to perform their Directors of the Board, or, rights to vote for a resolution companies with dominantin a Board Meeting of the subordinate relationships Company in accordance with with the Directors of the the preceding item, shall be Board, that have stakes with treated in compliance with the meeting items indicated the regulation to adopt Article in the preceding paragraphs, 180-2 specified in Article shall be seen as the stakes 206-2 of the Company Act of of the Directors of the Board ROC to the extent that permitted under the laws of their own. Any Directors who are not the Cayman Islands. allowed to perform their rights to vote for a resolution in a Board Meeting of the Company in accordance with the preceding two items, shall

be treated in compliance with the regulation to adopt Article 180-2 specified in Article 206Report Items

	Amendment	Current Article	Description
			s
to t	of the Company Act of ROC the extent that permitted der the laws of the lyman Islands.		

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Recognition Items

Topic 1: 2019 Business Report and Consolidated Financial Statements Board's Proposals

Descriptions:

- I. The board has passed the resolution of the 2019 consolidated financial statements, and authorizes the KPMG Taiwan accountants Zhang Shuying as well as Lai Lizhen, to perform the audit, having been fulfilled. Consequently, the consolidated statements will be submitted to the audit committee along with the business report for further check, and the written check report is to be documented.
- II. For the business report, please refer to page 4~6 in this handbook; for the audit report, consolidated income statement, consolidated statement of changes in shareholders' equity, as well as consolidated statement of cash flows, please refer to page38~52 in this handbook.
- III. Please be informed for recognition.

Resolution:



Accountant's Audit Reports

TO THE BOARD OF GRAND OCEAN RETAIL GROUP LTD.:

Accountant's Audit Reports

TO THE BOARD OF GRAND OCEAN RETAIL GROUP LTD.:

Audit Comment

Consolidated balance sheet as of the end of 2019 and Dec 31, 2018, consolidated income statement, statement of changes in shareholders' equity and statement of cash flows as of the end of 2019 and from Jan 1, 2018 till Dec 31, 2018, as well as note of consolidated financial statements (summary of material accounting policy included) of GRAND OCEAN RETAIL GROUP LTD. and relational subsidiaries (GRAND OCEAN RETAIL GROUP) have been audited and completed via the accountant.

According to the accountant's comment, all the material events in the consolidated financial statements as described above comply with Criteria Governing the Preparation of Financial Reports by Securities Firms as well as validated International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC) Interpretations and Standing Interpretations Committee (SIC) Interpretations by Financial Supervisory Commission, R.O.C. (Taiwan), which are legitimate and appropriate to represent the consolidated financial status as of the end of 2019 and Dec 31, 2018, as well as the consolidated financial performance and cash flows as of the end of 2019 and from Jan 1, 2018 till Dec 31, 2018.

Foundation of Audit Comment

We conducted our audit of the consolidated financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No. I 090360805 issued by the FSC and the auditing standards generally accepted in the Republic of China. We conducted our audit of the consolidated financial statements for the year ended December 31, 2018 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of GRAND OCEAN RETAIL 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.

Emphasis of Matter

As stated in Note 3(a) to the consolidated financial statements, GRAND OCEAN RETAIL GROUP has initially adopted the IFRS 16, "Leases" from January 1, 2019 and applied the modified retrospective approach with no restatement of comparative period amounts. Our conclusion is not modified in respect of this matter.

Critical Audit Matters (CAM)

CAMs is the most important audit upon the consolidated financial statements of GRAND OCEAN RETAIL GROUP in 2019 in accordance with the professional assessment of the accountant. Wherein this matter has been responded to in the whole consolidated financial statements as well as the procedure of audit commenting, the accountant will not comment on such single matter. CAM which should be listed in the audit reports on the basis of the accountant's judgement are as follows:



I. Impairment of Goodwill and Trademark Rights

Concerning the recognized accounting policy, please refer to Note IV (xiv) "Impairment of Non-financial Assets" in the consolidated financial statements; concerning the accounting assessment for the impairment of goodwill and intangible assets, as well as assumptive uncertainty, please see Note V (ii); as for the impairment assessment details for the goodwill and intangible assets, please refer to Note VI (vii) "Intangible Assets" in the consolidated financial statements.

Description of CAMs:

The total carrying amount for intangible assets of GRAND OCEAN RETAIL GROUP is approximate to 7% as of Dec 31, 2019. Where its major composition derives from the goodwill as well as trademark rights generated through the acquisition of Grand Ocean Department Store Group in 2006. Because the retail business has been impacted by slowly-developed economics and online shopping, it has become a tough challenge to keep profitable income. As a result, the goodwill and trademark rights generated through the acquisition of Grand Ocean Department Store Group by the GRAND OCEAN RETAIL GROUP are also influenced and there is also the doubt about whether or not the carrying amount of operating assets can exceed the recoverable amount of the former assets. Management echelon in the GRANDOCEAN RETAIL GROUP should accord with IAS 36 "Impairment of Assets" to evaluate the present discounted value (PDV) of future cash flows of the department store in order to confirm the recoverable amount of the former assets. Because the judgment upon the PDV of the recoverable amount by the management echelon concerns the objective aspect and possesses high assumption uncertainty, leading the goodwill and trademark rights exposed under the risk of overestimation toward the carrying amount of operating assets. Hence the accountant shall see the assessment of impairment of assets of the former assets as a CAM for consolidated financial statements on the audit procedure.

Corresponding Audit Procedure:

Professional questioning is to arise for the assessment module of impaired assets by the management echelon in the GRAND OCEAN RETAIL GROUP toward the evaluation due to whether or not the management echelon can fully identify each cash generating unit which might be impaired, as well as considering whether or not all the assets which need impairment test have been taken into the assessment procedure. Reviewing each financial assumption of the management echelon and the recoverable amount related document and verifying assumption rationality as well as calculation precision of the management echelon in accordance with concerning information acquired. Additionally, reviewing if the disclosure of impaired assets as described above by the GRAND OCEAN RETAIL GROUP meets the truth or not.

II. Impairment of Assets

Concerning the recognized accounting policy, please refer to Note IV (xiv) "Impairment of Non-financial Assets" in the consolidated financial statements; wherein the accounting assessment and assumptive uncertainty of impairment can be referred to Note



V (i) "Property, Plants and Equipment and Right of use asset"; as for the details, please refer to Note VI (v) "Property, Plants and Equipment" and Note VI (vi)Right of use asset." Description of CAMs:

The carrying amount of the GRAND OCEAN RETAIL GROUP for property, plants and equipment and Right of use asset is approximately 64% of the total assets as of Dec 31, 2019. Where its major composition derives from the goodwill as well as trademark rights generated through the acquisition of Grand Ocean Department Store Group. Because the retail business has been impacted by slowly-developed economics and online shopping, it has become a tough challenge to keep profitable income. As a result, the doubt toward the GRAND OCEAN RETAIL GROUP also arouses about whether or not the carrying amount of operating assets can exceed the recoverable amount of the former assets. Management echelon in the GRANDOCEAN RETAIL GROUP should accord with IAS 36 "Impairment of Assets" to evaluate the PDV of future cash flows of the department store in order to confirm the recoverable amount of the former assets. Because the judgment upon the PDV of the recoverable amount by the management echelon concerns objective aspect and possesses high assumption uncertainty, leading the carrying amount of operating assets exposed under the risk of an over-estimation toward the carrying amount of the operating assets. Hence the accountant shall see the assessment of impairment of assets of the former assets as a CAM for consolidated financial statements of the audit procedure.

Corresponding Audit Procedure:

Professional questioning is to arise for the assessment module of impaired assets by the management echelon in the GRAND OCEAN RETAIL GROUP toward the evaluation due to whether or not the management echelon can fully identify each cash generating unit which might be impaired, as well as considering whether or not all the assets which need impairment test have been taken into the assessment procedure. Reviewing each financial assumption of the management echelon and the recoverable amount related document, and verifying assumption rationality as well as calculation precision of the management echelon in accordance with concerning information acquired. Additionally, reviewing if the disclosure of impaired assets as described above by the GRAND OCEAN RETAIL GROUP meets the truth or not.

III. Recoverability of Other Receivables

Concerning the recognized accounting policy, please refer to Note IV (vii) "Financial Instrument" in the consolidated financial statements; as for the details, please refer to Note VI (iii) "Accounts Receivable and Other Receivables." and Note VIII" Other financial assets - current and non-current."

Description of CAMs:

Subject to the overall economic distress as well as intense peer competition in China, the GRAND OCEAN RETAIL GROUP has ceased part of the investments. Other unrecovered receivables transferred from pre-payment for investments in the account as of Dec 31, 2019 was up to NT\$ 698,512 thousand, possessing 3% of the total assets.



Because recoverability of the other receivables concerns the evaluation about the value of the collateral acquired by the group as well as the progress of disposed assets from debtor. Hence, this assessment will be listed into the highly concerned matters in the financial audit report from the accountant.

Corresponding Audit Procedure:

In accordance with the recoverability assessment for other receivables, the accountant is to obtain the relational documents from the management echelon to see if the collateral value is satisfied or not, as well as examining the control point concerning receipts of the group and then reviewing the records of subsequent receipt. Thus the rationality of accounting for allowance for doubtful debts as well as amounts of the group can be assessed.

Obligation to Consolidated Financial Statements by the Management Echelon and Governing Body

Obligation of the management echelon comply with Criteria Governing the Preparation of Financial Reports by the Securities Firms as well as validated IFRSs, IASs, IFRIC Interpretations and SIC Interpretations by Financial Supervisory Commission, R.O.C. (Taiwan), which are legitimate and appropriate to present the consolidated financial statements, as well as maintaining the necessary internal control of statements preparation to ensure there shall be no material misstatements because of the corrupt or mistaken.

Besides, the other obligations of management also include evaluating the capability of the going concern and the related disclosure of the GRAND OCEAN RETAIL GROUP, as well as the conduct of accounting basis of going concern while compiling the consolidated financial statements. Unless the management intends to liquidate the GRAND OCEAN RETAIL GROUP or to discontinue or none of the other practical solutions can be proposed but only liquidation or discontinuity.

The governing body (audit committee included) of the GRAND OCEAN RETAIL GROUP is obliged to supervise the process of financial reports.

Obligation of Accountant to Consolidated Financial Statements

Purpose on this consolidated financial statements by the accountant is to acquire the reasonable assurance for confirming if there is any material misstatement launched due to the corruption or mistakes in the statements overall and to provide the audit report. Reasonable assurance is the high assurance. Yet the audit in accordance with GAAS still cannot guarantee to seek out every existing material misstatement in the financial statements. Where the material misstatement may be caused by the corruption or mistakes. Any individual amount or summary number which can be reasonably expected of the material misstatement will influence the economic decision of the user who has viewed the statements. Thus, it will be considered as being material.

The accountant shall comply with GAAS to perform the audit, and conduct the professional judgement to maintain the doubt out of the specialty. The accountant shall also perform the works as follows:

- 1. To identify and assess the material misstatements caused by the corrupt or mistaken in the consolidated financial statements; to design and execute the appropriately corresponding countermeasures toward the risks which have been assessed, and to acquire sufficient and proper evidences as the foundation of audit comments. Because the corruption may have behind it a conspiracy, forgery, malicious omission, fraudulent statement as well as internal control transgression involved, the risks of the reasons of misinterpretation for a major misstatement caused by the corruption is higher than those caused by the mistakes.
- 2. To understand the necessity concerning the audit for acquiring internal control in order to



design a proper procedure for the audit under these circumstances. Where the purpose is not to comment toward the internal control of the GRAND OCEAN RETAIL GROUP.

- 3. To assess the appropriateness of the accounting policies applied by management, as well as rationality of the accounting estimates and related disclosure.
- 4. Based on the acquired evidences of the audit to conclude the appropriateness of the conduct of the accounting basis of a going concern by the management, as well as confirming if there is any possibility of major uncertainty of any event or matter which may result in material doubts about the capability of an ongoing concern of the GRAND OCEAN RETAIL GROUP The account believes that attention must be awaken in the audit reports about relational disclosure in the consolidated financial statements to remind the user or the audit comment for a revision is to be made once any inappropriateness concerning the disclosure is found. The conclusions of the accountant will be made based on the evidences acquired until the report date from the audit. Nevertheless, certain future events or matters may still result in disabling the GRAND OCEAN RETAIL GROUP to possess the capability of going concern.
- 5. To assess the completeness, structure and content of the consolidated financial statements (relational notes included), as well as confirming if the statements are proper enough to present every related transaction or event.
- 6. To acquire sufficient and appropriate evidences for the audit about financial information of entity in the group, and to comment on the consolidated financial statements. The accountant is obliged to instruct, supervise and execute the audit case of the group and to comment about the group based on the audit conclusion.

The communication items between the accountant and the governing body include range and time based on the audit plan as well as material discoveries of the audit (including the significant deficiencies identified from the audit procedure from internal control).

The accountant has also provided the independence statement to the governing body concerning the staff belonging to the same accountancy firm as the accountant does has followed the code of professional ethics of accountant. Also, the accountant has communicated with the governing body about any other concern or matter which might possibly influence the independence of the accountant (concerning protective measure included).

Due to the communication items with the governing body, the accountant decides to launch the consolidated financial statements of the GRAND OCEAN RETAIL GROUP in 2019 as a CAM. The accountant shall not communicate the specific items while interpreting certain matters in the audit report unless the statute does not allow the disclosure of specific items, or under any extremely rare circumstance. Because it is reasonable to expect that the negative impact of this communication will be stronger than public interest improvement.

The engagement partners on the audit resulting in this independent auditors'report are Chang Shu-Ying and Lai Li-Chen.

KPMG Taiwan

Chang Shu-Ying

Accountant:

Lai Li-Chen

Securities (2000) TWSE Letter (VI)

Authority : No.62474
Approval No. FSC Letter VI
No.0940100754

- 20, 2020

Mar 30, 2020



	O The state of the	GRAND OCEAN RETAIL GROWN BY Angeleational Subsidiaries Aggreege Ralance Shoet As of the End of Silvan Hand.	ROLDERD.	hotelelational Subsidiaries	Currency: NTD (thousand)
	Assets	Dec 31, 2019 Dec 31, 2018 Amount % Amount %	118 %	Liabilities and Equity	Dec 31, 2019 Dec 31, 2018 Amount % Amount %
	Current Assets:			Current Liabilities:	
1100	Cash and Cash Equivalents (Note VI (i))	\$ 4,641,324 18 5,039,511	24 2100	Short-term Loans (Note VI (ix))	\$ 2,184,324 8 1,830,238 9
1110	Financial Assets Measured at Fair Value through Profit or Loss - Current (Note	. 61,504 - 71,167	- 2171	Accounts Payable (Note VI (xi))	3,045,515 12 3,650,712 17
	VI (ii))		2219	Other Payables (Note VI (ii), (v), (xix) and VII)	753,279 3 1,083,254 5
1136	Financial Assets Measured at Amortized Cost - Current (Note VI (ii) &VIII)	460,800	2 2230	Current Tax Liabilities	131,525 - 130,909 5
1170	Accounts Receivable of Net Amount (Note VI (iii))	143,880 1 339,792	2 2280	Current lease liabilities(NoteA)	936,558 4
1200	Other Receivables (Note VI (iii) &VIII)	1 1	5 2322	Long-term Loans - Current Position (Note VI (x))	350,447 1 453,061 2
1300	Inventories - Merchandising Business	289,697 1 261,899	1 2323	Long-term Payables - Current Position (Note VI (xii))	(i
1410	Pre-payments (Note VI (xiii) · (xvi) &VII)	275,939 1 426,861	2		7,401,648 28 7,194,719 34
1461	Non-current Assets Held for Sale (Note VI (iv))	35,083 - 31,910		Non-current Liabilities:	
1476	Other Financial Assets - Current (Note VI (viii) and VIII)	43,322 - 34,806	2541	Long-term Loans of Bank (Note VI (x))	1,102,359 4 1,879,857 9
		5,680,778 22 7,695,337	22 2570	Deferred Tax Liabilities (Note VI (xv))	41,605 - 61,487 -
	Non-current Assets:		2580	Non-Current lease liabilities(Note VI (xii) and VII)	8,217,038 32 - 1
1600	Property, Plants and Equipment (Note VI (v), VII&VIII)	7,215,048 27 6,624,600	32 2612	Long-term Payables (Note VI (xiii))	- 1,399,021 7
1755	Right of use asset (Note VI (vi), VII&VIII)	9,581,742 37 -	- 2645	Deposit Received	552,538 2 569,691 3
1780	Intangible Assets (Note VI (vii))	1,775,436 7 1,838,929	6		9,913,540 38 3,910,056 19
1840	Deferred Tax Assets (Note III (i), VI (xv))	877,785 3 518,633	2	Total Liabilities:	17,315,188 66 11,104,775 '53
1915	Pre-payments for Equipment (Note IX)	613,494	6		
1980	Other Financial Assets - Non-current (Note VI (iii) · (viii) & VII)	873,889 3 249,208	-	Equity of Owner of Parent Company (Note VI (xvi)):	
1985	Long-term Pre-paid Rent (Note VI (xiii) & VIII)	- 3,279,198	16 3100	Share Capital	1,955,310 8 1,974,690 9
5661	Other Non-current Assets (Note VI (xvi) and VII)	214,055 1 115,276	1 3200	Additional Paid-in Capital	5,063,420 19 5,092,360 23
		20,537,955 78 13,239,338	64 3310	Legal Reserve	580,244 2 530,710 3
			3320	Appropriated Retained Earnings	742,835 3 554,374 3
			3350	Retained Earnings	
			3400	Other Equity	(1,114,697) (4) (742,835) (4)
			3500	Treasury Stock	- (203.369) (1)
					l .
				Sub-total of Shareholders' Equity	8,903,545 34 9,829,596 47
	Total Assets	\$ 26,218,733 100 20,934,675 100	100 36XX	Non-controlling Interest	
				Total Equity	8,903,545 34 9,829,900 47
				Total Liabilities and Equity	\$ 26,218,733 100 20,934,675 100
Chai	Chairman: GUO RENHAO	refer to the note for details atta Manager: HUANG QINGHA	attachetrin the	(please refer to the note for details attathed in the consolidated financial statements) Ananager: HUANG QINGHAI	NFANG EFF



GRAND OCEAN RETAIL GOOF LED and Relational Subsidiaries As of the End of 2019, and Dec 31, 2018

Currency: RMB (thousand)

		2019.12.31		Į	2.31	1						
	Assets	Amnount	% 		Amount	%						
	Current Assets:								2019 12 31		2018 12 31	
1100	Cash and Cash Equivalents (Note VI (i))	\$ 1,076,423		18 1,1	1,125,884	24		Liabilities and Equity	Amount	%		%
1110	Financial Assets Measured at Fair Value through Profit or Loss - Current (Note		14,264 -		15,899	,	S	Current Liabilities:			E P	ſ
	VI (ii))					71	2100	Short-term Loans (Note VI (ix))	\$ 506,592	8	408,896	6
1136	Financial Assets Measured at Amortized Cost - Current (Note VI (ii) &VIII)	ï		_	102,948	2 2	2171	Accounts Payable (Note VI (xi))	706,321	12	815,611	17
1170	Accounts Receivable of Net Amount (Note VI (iii))	33	33,369	2	75,914	1 2	2219	Other Payables (Note VI (ii), (v), (xix), (xix) and VII)	174,701	3	242,011	2
1200	Other Receivables (Note VI (iii) &VII)	4	44,072	5 2	229,799	5 2	2230	Current Tax Liabilities	30,504		29,246	-
1300	Inventories – Merchandising Business	29	67,187	1	58,511	1 2	2280	Current lease liabilities (Note A)	217,208	4	ı	
1410	Pre-payments (Note VI (xiii) · (xvi) &VII)	63	966,89	2	95,366	3 2	2322	Long-term Loans – Current Position (Note VI (x))	81,276	-	101,219	7
1461	Non-current Assets Held for Sale (Note VI (iv))	8	8,137	ī	7,129		2323	Long-term Payables – Current Position (Note VI (xii))		ı,	10,399	J.
									1,716,602	28	1,607,382	34
1476	Other Financial Assets - Current (Note VI (viii) and VIII)	10	10,047		7,776	ď	Z	Non-current Liabilities:				
		1,317,495		22 1,7	1,719,226	1 2	2541	Long-term Loans of Bank (Note VI (x))	255,661	4	419,982	6
	Non-current Assets:					2	2570	Deferred Tax Liabilities (Note VI (xv))	9,649	я.	13,737	-
1600	Property, Plants and Equipment (Note VI (vi), VII&VIII)	1,673,325		27 1,4	1,480,011	32 2	2580	Non-Current lease liabilities (Note VI (xii) and VII)	1,905,708	32		
1755	Right of use asset (Note VI (vi), VII&VIII)	2,222,212		37		- 2	2612	Long-term Payables (Note VI (xiii))	•	2	312,577	7
1780	Intangible Assets (Note VI (vii))	411	411,762	7 4	410,838	9 2	2645	Deposit Received	128,145	2	127,275	3
1840	Deferred Tax Assets (Note III (i) · VI (xv))	203	203,577	3 1	115,869	7			2,229,163	38	873,551	19
1915	Pre-payments for Equipment (Note IX)	i.			137,062	3		Total Liabilities:	4,015,765	99	2,480,933	53
1980	Other Financial Assets - Non-current (Note VI (iii) · (xvi) &VII)	202	202,674	3	55,676	-	B	Equity of Owner of Parent Company (Note VI (xiv)):				
1985	Long-term Pre-paid Rent (Note VI (xiii) &VIII)	6		6	732,610	16 3	3100	Share Capital	492,105	8	496,983	11
1995	Other Non-current Assets (Note VI (xvi) and VII)	46	49,644	_	25,754	1 3	3200	Additional Paid-in Capital	1,017,256	17	1,020,223	22
		4,763,194		78 2,5	2,957,820	64 3	3310	Legal Reserve	121,053	7	110,092	7
						8	3320	Appropriated Retained Earnings	161,321	3	119,616	3
						3	3350	Retained Earnings	316,977	2	527,530	1
						3	3400	Other Equity	(43,788)	Ξ	(36,685)	(3)
						3	3500	Treasury Stock			(41,714)	0
								Sub-total of Shareholders' Equity	2,064,924	34	2,196,045	47
						7	36XX	Non-controlling Interest			89	ď
	Total Assets	80'9	6,080,689 100		4,677,046 100	00		Total Equity	2,064,924	34	2,196,113	47
							T	Total Liabilities and Equity	89'080'9	100	4,677,046 100	00



Chairman: GUO RENHAO

(please refer to the note for details attacheen the consolidated financial statements)
Manager: HUANG QINGHAI 日 清





GRAND OCEAN RETAIL GROUP AT . and Relational Subsidiaries
Consolidated Income Statement As of the End of 2019, and from an 1, 2018 to Dec 31, 2018

			Cui 2019	rrency:	NTD (thousa 2018	nd)
		-	Amount	%	Amount	%
4000	Operating Revenues (Note VI (xviii) &VII)	\$	6,642,331	100	6,457,831	100
5000	Operating Costs	Ψ	1,756,194	26	1,442,685	22
3000	Gross Profit	-	4,886,137	74	5,015,146	78
6000	Operating Expenses (Note VI (v), (vi), (vii), (xii), (xiv), (xix) and		3,599,460	54	4,037,506	63
0000	VII)		3,399,400		4,037,300	0.2
	Operating Income		1,286,677	20	977,640	15
	Non-operating Income and Expenses:					
7010	Other Revenues (Note VI (xx) and VII)		59,251	1	67,135	1
7020	Other Gains and Losses (Note VI (ii), (iv) and (xx))		214,198	3	(106,224)	(2)
7050	Financial Costs (Note VI (xii), (xx) and VII)		(649,895)	(10)	(147,907)	(2
7055	Expected Credit Losses (Note VI (iii))		18,627	-	(18,955)	-
7060	Share of Profit of Associates Accounted for Using the Equity Method		-	-	(12,067)	-
	omic or room or room or room on our gain of any room or	_	(357,819)	(6)	(218,018)	(3
7900	Earnings before Tax		928,858	14	759,622	12
7950	Deduction: Income Tax Expenses (Note VI (xv))		325,221	5	269,001	4
1250	Current Net Income	_	603,637	9	490,621	8
8300	Other Comprehensive Income:	_	003,037	9	490,021	
8310	Items that will Not be Re-classified Subsequently to Profit or					
0310	Loss					
8314	Equity Directly Concerns Non-current Assets Held for Sale		-		4,201	-
8349	Income Tax of Items that will Not be Reclassified		3=3	-	-	-
			7 4 5	-	4,201	
8360	Items that may be Re-classified Subsequently to Profit or Loss					
8361	Exchange Difference on Translation of Foreign Operations		(371,862)	(6)	(191,255)	(3
8365	Equity Directly Concerns Non-current Assets Held for Sale		(3/1,002)	(0)	(1,410)	-(3
0303	Equity Directly Concerns Non-current Assets field for Sale				(1,410)	
8399	Income Tax of Items that may be Re-classified		_	-	_	
	Sum of Items that may be Re-classified Subsequently to		(371,862)	(6)	(192,665)	(3
	Profit or Loss		(2.2.2)	(-)	(222)	- 1-
8300	Current Other Comprehensive Income (net income after tax)		(371,862)	(6)	(188,464)	(3
0000		S	231,775	3	302,157	5
	Net Income Attributed to:	9	231,773		504,157	
8610		\$	603,941	9	495,345	5
8620	Non-controlling Interest	Φ	(304)	2	(4,724)	
8020	Section (Control of the Control of t	\$	603,637	9	490,621	
		0	003,037		490,021	
9710	Comprehensive Income Attributed to:	6	222.072	- 2	207.004	
8710		\$	232,079	3	306,884	
8720	Non-controlling Interest	-	(304)	-	(4,727)	
		\$	231,775	3	302,157	- 5
	Earnings per Share (Note VI (xvii))					
9750	Basic Earnings per Share (deficit) (NTD)	\$		3.10		2.7
9850	Diluted Earnings per Share (deficit) (NTD)	\$		3.09		2.70

(please refer to the note for details attached in the consolidated financial statements)

Chairman: GUO RENHAO



Manager:

HUANG QINGHA

Accounting Sup LI MINFANG



GRAND OCEAN RETAIL GROUP LTD and Relational Subsidiaries

Consolida (ed Ourone Statement

As of the End of 2019, and from Jan , 2018 to Dec 31, 2018

	18 18 18 18 18 18 18 18 18 18 18 18 18 1		Cur 2019	rency:	RMB (thousa	nd)
		-	Amount	%	Amount	%
4000	Operating Revenues (Note VI (xviii) & VII)	\$	1,482,485	100	1,416,301	100
5000	Operating Costs		391,960	26	316,403	22
	Gross Profit		1,090,525	74	1,099,898	78
6000	Operating Expenses (Note VI (v), (vi), (vii), (xii), (xiv), (xix) & VII)		803,355	54	885,487	63
	Operating Income	26	287,170	20	214,411	15
	Non-operating Income and Expenses:	()	- Ex		W	45
7010	Other Revenues (Note VI (xx) and VII)		13,224	1	14,734	1
7020	Other Gains and Losses (Note VI (ii), (iv) and (xx))		47,806	3	(23,296)	(2)
7050	Financial Costs (Note VI (xii), (xx) and VII)		(145,048)	(10)	(32,438)	(2)
7055	Expected Credit Losses (Note VI (iii))		(4,157)	-	(4,157)	-
7060	Share of Profit of Associates Accounted for Using the Equity Method			-	(2,647)	-
			(79,861)	(6)	(47,814)	(3)
7900	Earnings before Tax		207,309	14	166,597	12
7950	Deduction: Income Tax Expenses (Note VI (xv))		72,585	5	58,996	4
	Current Net Income		134,724	9	107,601	8
8300	Other Comprehensive Income:					
8310	Items that will Not be Re-classified Subsequently to Profit or					
	Loss					
8314	Equity Directly Concerns Non-current Assets Held for Sale		15	-	921	=
8349	Income Tax of Items that will Not be Reclassified		(-	-	141	<u> </u>
			-	-	921	= "
8360	Items that may be Re-classified Subsequently to Profit or Loss					
8361	Exchange Difference on Translation of Foreign Operations		(7,103)	-	(3,466)	-
8365	Equity Directly Concerns Non-current Assets Held for Sale		-	-	(309)	=
8399	Income Tax of Items that may be Re-classified			-	-	-
	Sum of Items that may be Re-classified Subsequently to		(7,103)	-	(3,775)	
	Profit or Loss				*************	
8300	Current Other Comprehensive Income (net income after tax)	<u> </u>	(7,103)	-	(2,854)	
	Current Total Comprehensive Income	\$	127,621	9	104,747	8
	Net Income Attributed to:					
8610	Parent Company	\$	134,792	9	108,637	8
8620	Non-controlling Interest	_	(68)	_	(1,036)	-
		\$	134,724	9	107,601	8
	Comprehensive Income Attributed to:					
8710	Parent Company	\$	127,689	9	105,783	8
8720	Non-controlling Interest		(68)	-	(1,036)	
		\$	127,621	9	104,747	8
	Earnings per Share (Note VI (xvi))					
9750	Basic Earnings per Share (deficit) (RMB)	\$		0.69		0.59
9850	Diluted Earnings per Share (deficit) (RMB)	\$		0.69		0.59
		15000				

Chairman: Manager: Accounting Superson GUO RENHAO HUANG QUICHAI LI MINFANG

8.903,545

155,049 8,903,545

2,791

1,676,433 2,999,512 (1,117,488)

742,835

580,244

5,063,420

Balance as of Dec 31, 2019

Share based payment transaction

Freasury Stock Retired

(28,566) (374)

(19,380)\$ 1,955,310

Cash Dividends of Common Stock

Current Other Comprehensive Income

Current Net Income

adjustments

Balance at beginning of period after Effects of retmspective application

Balance as of Dec 31, 2018

Freasury Stock Retired

Current Total Comprehensive Income

Accounting for Legal Reserve

Accounting for Appropriated

47.946 155,423



Currency: NTD (thousand)

GRAND OCEAN RETAIL CROUP LTP, and Relational Subsidiaries Consolidated Statemetry Nathanges in Anarcholders' Equity As of the End of 2019, Mithirque Way, 1, 2018 to Dec 31, 2018

Owner's Equity

302,157 490,621 (188,464) (227,099)9,829,900 603,637 231,775 (331,186) (981,993) 8.847,907 371,862) Total Equity (4,724) (304) (3) (4,727)304 (304) 304 Non-controlli Interest 603,941 306,884 Company Total Equity 495,345 (188,461) (227,099)9,829,596 (371,862) 232.079 (331,186)8,847,603 9,749,811 (981,993) Parent (203,369)(203,369) Held for Sale Assets -Direct Equity 2,791 2,791 2,791 2.791 Other Equity Exchange Differences on Translation of (191,252) (745,626) (191,252) (371,862) (371.862) (745,626) (554.374 Operations Foreign 495,345 (227,099)(331,186) 3,708,750 495,345 (40,994)2,726,757 603,941 (981,993) 603,941 3,481,498 Sum (34,195) 495,345 (331,186) 495,345 (554,374) (227,099) (40.994)2,623,666 (981,993) 1,641,673 (603,941) (49,534)(188,461) 2.984.983 603,941 Retained Retained Earnings Appropriated Retained Earnings 554.374 554,374 188,461 Reserve 554.374 34,195 530,710 49,534 530,710 Legal 5,144,696 (52.336)5,092,360 5,092,360 Paid-in Capital 1,974,690 (20,300) 1,974,690 1.994.990 Share Capital

(please refer to the note for details attached in the consolidated financial statements) Manager: HUANG QINGHAI Manager:

Accounting Supervisor:

LI MINFANGES



Cash Dividends of Common Stock

Accounting for Legal Reserve

Retained Earnings:

Accounting for Appropriated

Current Other Comprehensive Income

Balance as of Jan 1, 2018

Current Net Income

Current Total Comprehensive Income Appropriation and Distribution of



TD, and Relational Subsidiaries GRAND OCEAN RETAIL STROUP LITE and Relational Subsidia Consolidated Statement of Challes in Shareholders' Equity As of the End of 2019, and tron Jah 1, 2018 to Dec 31, 2018

Currency: RMB (thousand)

)		Other Famity	Tomity				
			Retained Earnings	Sarnings		Exchange Differences	Held for Sale		Attributed		
	Additional	72	Appropriated Retained			on Translation of	Non-current Assets			Non-control	
Share Capital	Paid-in Capital	Legal Reserve	Earnings Reserve	Retained Earnings	Sum	Foreign Operations	- Direct Equity	Treasury Stock		ling Interest	Total Equity
502,092	1,030,706	102,714		601,654	704,368	(33,831)	•	(64,073)	2,139,262	1,104	2,140,366
·		٠		108,637	108,637				108,637	(1,036)	107,601
3						(3,466)	612		(2,854)		(2,854)
3	•	,	•	108,637	108,637	(3,466)	612		105,783	(1,036)	104,747
9		7,378		(7,378)	9		,	i.	9	Se.	9
	100		119,616	(119,616)	•	100		•	0.00	2002	
	fi a ti		0.40	(49,000)	(49,000)	13 🗷 (3	•	•	(49,000)	70077	(49,000)
(5,109)	(10,483)	u	•	(6,767)	(6,767)	-		22,359		r	
496,983	1,020,223	110,092	119,616	527,530	757,238	(37,297)	612	(41,714)	2,196,045	89	2,196,113
e				(219,389)	(219,389)				(219,389)		(219,389)
496,983	1,020,223	110,092	119,616	308,141	537,849	(37,297)	612	(41,714)	1,976,656	89	1,976,724
í		ï	·	134,792	134,792	(a)	ŧ	í	134,792	(89)	134,724
*						(7,103)			(7,103)		(7,103)
*			•	134,792	134,792	(7,103)		Ì	127,689	(89)	127,621
ī	ū	10,961		(10,961)	Ĭ	•	9	•		•	
ï	,	X	41,705	(41,705)	Ĭ	,	ı			٠	*
ï		×		(73,290)	(73,290)		•		(73,290)		(73,290)
(4,878)	(4,443)	·		ű	•	*		9,321		ï	
	1,476						32,393	33,869			33,869
492.105	1 017 256	121.053	161 321	316.977	500 351	(44 400)	612	,	2 064 024		7 064 034





HUANG QINGHAL

Accounting Super LI MINFANG

Cash Dividends of Common Stock

Accounting for Appropriated

Accounting for Legal Reserve

Earnings:

Balance of retmspective application Balance at beginning of period after

Balance as of Dec 31, 2018

Treasury Stock Retired

Current Other Comprehensive Income Current Total Comprehensive Income

Current Net Income

adjustments

Cash Dividends of Common Stock

Share based payment transaction

Treasury Stock Retired

Balance as of Dec 31, 2019

Accounting for Legal Reserve

Accounting for Appropriated

Appropriation and Distribution of Retained

Current Other Comprehensive Income

Balance as of Jan 1, 2018

Current Net Income

Current Total Comprehensive Income



GRAND OCEAN RETAIL GROUP In. and Relational Subsidiaries

Consolidated Statement of Cash Flows

As of the End of 2019, and from Jan 1, 2018 to Dec 31, 2018

		Currency: N 2019	TD (thousand) 2018
Cash Flows from Operating Activities	1020		V2000-21 19/2012
Current Net Earnings before Tax	\$	928,858	759,622
Adjusting Events:			
Income and Expenses			
Depreciation Expense		1,604,209	534,458
Amortization Expense		7,673	7,950
Expected Credit Losses		(18,627)	18,955
Net Profit of Financial Assets and Liabilities Measured at Fair Value through Profit or Loss		(50,860)	(32,801)
Interest Expense		649,895	147,907
Interest Income		(56,364)	(64,316)
Dividend Income		(2,887)	(2,819)
Share-based Payment Expense		1,271	-
Share of Profit of Associates Accounted for Using the Equity Method		-	12,067
Losses on Disposal or Abandonment of Property, Plants and Equipment		18,012	11,635
Impairment of Non-financial Assets		23,273	267,361
Reversal of Impairment of Non-financial Assets		(3,944)	=
Rent Expense		_	168,943
Sum of Income and Expenses		2,171,651	1,069,340
Assets Concern Operating Activities/Liability Variance: Net Variance of Assets Concern Operating Activities Reduction of Financial Assets Measured at Fair Value throu Profit or Loss by Enforcement	gh	59,266	53,763
Accounts Receivable		190,623	(48,740)
Other Receivables		(38,304)	20,368
		(38,872)	(53,104)
Inventory			(11,222)
Prepayments	:	(12,039)	
Sum of Net Variance of Assets Concern Operating Activit Net Variance of Liabilities Concern Operating Activities:	ies	160,6744	(38,935)
Accounts Payable		(480,680)	(443,433)
Other Payables		(83,555)	100,588
Long-term Payables	-		(98,004)
Sum of Net Variance of Liabilities Concern Operating Activities	0	(573,235)	(440,849)
Sum of Net Variance of Assets and Liabilities Concern Operating Activities	-	(412,561)	(479,784)
Sum of Adjusting Events		1,759,090	589,556
Cash Inflow by Operating		2,687,948	1,349,178
Interest Collected		61,471	49,229
Dividends Collected		2,887	2,819
Interest Paid		(653,101)	(148, 242)
Income Tax Paid		(402,053)	(342,255)
Cash Inflow from Operating Activities		1,697,152	909,729



GRAND OCEAN RETAIL GROBELTI. and Relational Subsidiaries

Consolidated Statement of Sh Flows (continued)

As of the End of 2019, and from Jan 1, 2018 to Dec 31, 2018

Currency: NTD (thousand)

	2019	2018
Cash Flows from Investing Activities:		
Acquisition for Financial Assets at Amortized Cost	2	(217,937)
Proceeds from disposal of Financial Assets at Amortized Cost	227,533	
Acquisition of Property, Plants and Equipment	(801,206)	(729,576)
Proceeds from disposal of Property, Plants and Equipment	516	-
Decrease (increase) in Refundable Deposits	3,023	(10,222)
Other Receivables -Reduction Related Parties	224,027	-
Acquisition of Intangible Assets	(13,275)	(19,559)
Reduction of Receivables (transfer of equity and investment funds)		17,328
Decrease (increase) in Other Financial Assets	(11,842)	4,182
Decrease (increase) in -Other Non-current Assets	-	6,791
Increase in Prepayments for Equipment	+	(69,439)
Increase in Other Investing Activities (long-term prepaid rent)		(7,979)
Net Cash Inflow (outflow) from Investing Activities	(371,224)	(1,026,411)
Cash Flows from Financing Activities		
Increase in Short-term Loans	427,057	766,996
Lease from Long-term Loans	704,662	1,291,581
Payments for Long-term Loans	(1,544,983)	(2,917,922)
Increase in Deposit Received	3,897	70,575
Payment of lease liabilities	(835,016)	(=)
Distribution of Cash Dividends	(331,186)	(227,099)
Treasury Stock Purchased by Employees	46,760	
Net Cash Outflow from Financing Activities	(1,528,809)	(1,015,869)
Influence on Cash and Cash Equivalents by Fluctuations of the	(195,306)	(70,203)
Exchange Rates		
Increase (decrease) Amount in Current Cash and Cash Equivalents	(398,187)	(1,202,754)
Beginning Balance of Cash and Cash Equivalents	5,039,511	6,242,265
Closing Balance of Cash and Cash Equivalents	\$ 4,641,324	5,039,511

(please refer to the note for details attached in the consolidated financial statements)

Chairman: GUO RENHAO



Manager: HUANG QINGHA

海黄印清

Accounting Supervisor: LI MINFANG



GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries Consolidated Statement of Cash Flows As of the End of 2019 and from Jan 1, 2018 to Dec 31, 2018 Currency: RMI

Dan lel		Currency: 2019	RMB (thousand) 2018
Cash Flows from Operating Activities	34	(4)	-
Current Net Earnings before Tax	\$	207,309	166,597
Adjusting Events:			
Income and Expenses			
Depreciation Expense		358,039	117,215
Amortization Expense		1,713	1,744
Expected Credit Losses		(4,157)	4,157
Net Profit of Financial Assets and Liabilities Measured at Fair		(11,351)	(7,194)
Value through Profit or Loss			
Interest Expense		145,048	32,438
Interest Income		(12,580)	(14,105)
Dividend Income		(644)	(618)
Share-based Payment Expense		284	(<u>-</u>)
Share of Profit of Associates Accounted for Using the Equity Method			2,647
Losses on Disposal or Abandonment of Property, Plants and Equipment		4,020	2,552
Impairment of Non-Financial Assets		5,194	58,636
Reversal of Impairment of Non-Financial Assets		(880)	y
Rent Expense	100		37,051
Sum of Income and Expenses		484,686	234,523
Assets Concern Operating Activities/Liability Variance:			
Net Variance of Assets Concern Operating Activities			
Reduction of Financial Assets Measured at Fair Value through		13,227	11,791
Profit or Loss by Enforcement			
Accounts Receivable		42,545	(10,689)
Other Receivables		(8,549)	
Inventory		(8,676)	
Prepayments	12	(2,687)	(2,461)
Sum of Net Variance of Assets Concern Operating Activities	49	35,860	(8,539)
Net Variance of Liabilities Concern Operating Activities:			
Accounts Payable		(109,290)	
Other Payables		(18,648)	22,061
Long-term Payables	3. 1	1.70	(21,494)
Sum of Net Variance of Liabilities Concern Operating	(-	(127,938)	(96,685)
Activities		Magazina and an Arthur and a	Carteronia surporción
Sum of Net Variance of Assets and Liabilities Concern	N <u> </u>	(92,078)	(105,224)
Operating Activities			120.000
Sum of Adjusting Events	0	392,608	129,999
Cash Inflow by Operating Interest Collected		599,917	
		13,270	10,797
Dividends Collected Interest Paid		644	618
Income Tax Paid		(145,764)	` '
	0	(89,733)	(75,281)
Cash Inflow from Operating Activities	0	378,784	199,518



GRAND OCEAN RETAIN GROUP D.D. and Relational Subsidiaries

Consolidated Statement of Cash Flows (continued)

As of the End of 2019, and from Jan 1, 2018 to Dec 31, 2018

Currency: RMB (thousand)

	2019	2018
Cash Flows from Investing Activities:		
Acquirement for Financial Assets Measured at Amortized Cost	=	(47,797)
Proceeds from disposal of Financial Assets at Amortized Cost	50,783	æ
Acquisition of Property , Plants and Equipment	(178,819)	(160,007)
Proceeds from disposal of Property , Plants and Equipment	115	
Decrease (increase) in Refundable Deposits	675	(2,242)
Other Receivables -Reduction Related Parties	50,000	5
Acquisition of Intangible Assets	(2,963)	(4,290)
Reduction of Receivables (transfer of equity and investment funds)	-	3,800
Decrease (increase) in Other Financial Assets	(2,643)	917
Decrease (increase) in -Other Non-current Assets	(2)	1,489
Increase in Prepayments for Equipment		(15,229)
Increase in Other Investing Activities (long-term prepaid rent)	_ =	(1,750)
Net Cash Inflow (outflow) from Investing Activities	(82,852)	(225,109)
Cash Flows from Financing Activities		
Increase in Short-term Loans	95,314	168,214
Lease from Long-term Loans	157,272	283,263
Payments for Long-term Loans	(344,821)	(639,945)
Increase in Deposit Received	870	15,478
Payment of lease liabilities	(186,365)	-
Distribution of Cash Dividends	(73,290)	(49,000)
Treasury Stock Purchased by Employees	10,436	
Net Cash Outflow from Financing Activities	(340,584)	(221,990)
Influence on Cash and Cash Equivalents by Fluctuations of the Exchange	(4,809)	3,814
Rates		
Increase (decrease) Amount in Current Cash and Cash Equivalents	(49,461)	(243,767)
Beginning Balance of Cash and Cash Equivalents	1,125,884	1,369,651
Closing Balance of Cash and Cash Equivalents	\$ 1,076,423	1,125,884

(please refer to the note for details attached in the consolidated financial statements)

Chairman:

Manager: HUANG QINCHAL Accounting Supervisor



Topic 2: 2019 Earnings Distribution

Board's Proposals

Descriptions:

I. Net income after tax of the company in 2019 is NT\$603,941,271, therefore dividends are to be distributed in compliance with articles of the company.

II. Earnings distribution table of the company in 2019 is as below:

GRAND OCEAN RETAIL GROUP LIMITED Earnings Distribution Table

Currency: NTD

2018Closing Retained Earnings	2,054,483,747
Deduction: The new communiqué is adopted for the first time to adjust the net amount	(981,993,449)
Addition: 2019 Net Income after Tax	603,941,271
Deduction: 10% Accounted for Legal Reserve	-
Deduction: Special surplus reserve provided for equity deductions	(371,861 55,857)
2019 Profit Available for Distribution	1,304,569,712
Distribution Items Cash Dividends for Shareholders (NT\$2.2 per share)	430,168,200
Closing Retained Earnings	874,168,512

Note1:Cash dividends for shareholders by 2019 earnings distribution are to be recognized by shareholders meeting, then the board meeting will be authorized to draft the regulations concerning ex-dividend date as well as distribution matters. According to the shareholders list on the ex-dividend date, it is to distribute the cash dividends denominated in one NTD, any cash dividend under a single NTD (i.e. the decimal) will be summed up in total to be recognized as other income.

Note2:Cash dividends for this time are measured by 195,531,000 shares outstanding on Apr 20, 2020 of the company. Afterwards, quantity of those outstanding shares is influenced because the company repurchases the shares. Variance of the distribution yield therefore incurs due to that the treasury stock is transferred or written-down, or the transferable corporate bonds are transferred to common stock and capital increase. Thus a proposal is made here to request the shareholders to fully authorize the chairman to deal with this matter.

Chairman: GUO RENHAO



Manager: HUANG QINGHAI



Accounting
Supervisor:
LI MINFANG



III. Please be informed for recognition.

Resolution:



Topic 1: Amendment to Certain Articles of the "Articles of Incorporation"

Board's Proposals

Descriptions:

- I. In compliance with the recent act amendments and considering practical operations for the company, a proposal is made here to amend the certain articles of "Articles of Incorporation" of the company.
- II. Please refer to Page 55 65 of the handbook for comparison table of the articles.
- III. Please be informed for discussion.

Resolution:



Comparison Chart of the Articles of Association of Grand Ocean Retail Group Limited

		Restated Articles	Amended and		all Group Limited
Articles	of Association		Articles of Ass	ociation	Explanations
No.	(Proposed Rev	vision)	(Original)		
		es Table A in the	, , , , , , , , , , , , , , , , , , ,	es Table A in the	
	Schedule to th	e Statute does	Schedule to th	e Statute does	
	not apply and,	unless there be'	not apply and,	unless there be'	
	something in t	he subject or	something in the	he subject or	
	context incons	istent therewith,	context incons	istent therewith,	
	"Acquisition"	means any	N/A		Revised per Article
		company			4 of Business
		<u>acquiring</u>			Mergers and
		shares,			Acquisitions Act
		business or			
		assets of			
		another_			
		company in			
		exchange for			
		shares, cash			
		or other assets			
		under the			
		<u>Business</u>			
1.		Mergers and			
		<u>Acquisitions</u>			
		Act of ROC,			
		the Company			
		Act of ROC,			
		the Securities			
		and Exchange			
		Act of ROC,			
		the Financial			
		Institutions			
		Merger Act of			
		ROC or the			
		<u>Financial</u>			
		Holding Act of			
		the ROC;			
	"O. I		"O. I		D
	<u>"Subsidiary"</u>	any other	"Subsidiary"	any other	Rearranged in
		person or entity		person or	alphabetical order
		that directly, or		entity that	without actual



		Topic Discussions
indirectly	directly, or	change to this
through one or	indirectly	article
more_	through one or	
intermediaries,	more	
is controlled by,	intermediaries,	
or is under	is controlled	
common	by, or is under	
control with the	common	
Company. For	control with	
the purposes of	the Company.	
this definition,	For the	
"control"	purposes of	
(including the	this definition,	
<u>terms</u>	"control"	
"controlling",	(including the	
"controlled by"	terms	
and "under_	"controlling",	
common	"controlled by"	
control with"),	and "under	
shall mean the	common	
possession,	control with"),	
directly or	shall mean the	
indirectly, of the	possession,	
power to direct	directly or	
or cause the	indirectly, of	
direction of the	the power to	
<u>management</u>	direct or cause	
policies of the	the direction of	
Company,	the	
whether_	management	
through_	policies of the	
ownership of	Company,	
<u>voting</u>	whether	
securities, by	through	
contract,	ownership of	
agency or	voting	
otherwise;	securities, by	
	contract,	
	agency or	
	otherwise;	

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Topic Discussions

			Topic Discussions
	Where any subscriber proposes	N/A	Revised per
	to purchase shares of the		Paragraph 3, Article
	Company, the Company shall		266 of Company
7(d)	require such subscriber to pay		Act
7(d)	in full the subscription price		
	prior to the allotment and issue		
	of any new share of the		
	Company.		
	Where a subscriber failed to	N/A	Revised per Article
	make payment for the shares		142 and Paragraph
	subscribed by such subscriber		3, Article 266 of
	on or before the payment date		Company Act
	determined by the Company,		
	the Company shall fix a period		
	of not less than one month and		
	call upon each subscriber to		
	pay up, declaring that in case of		
	default of payment within the		
	stipulated period their		
7(e)	subscription rights shall be		
	forfeited and cancelled. After		
	the Company have made the		
	aforesaid call, the subscribers		
	who failed to pay accordingly		
	shall have their subscription		
	rights forfeited and cancelled.		
	Under the aforesaid		
	circumstances, compensation		
	for loss or damage, if any, may		
	still be claimed against such		
	defaulting subscribers.		
	Subject to any additional and	Subject to any additional and	Revised per Article
	applicable requirements under	applicable requirements under	29 of Business
	the Statute and without	the Statute and without	Mergers and
	prejudice to Article 47B, the	prejudice to Article 47B, the	Acquisitions Act
47	following matters require	following matters require	
41	approval of the Members by	approval of the Members by	
	way of a Special Resolution:	way of a Special Resolution:	
	(1) any proposal of the	(1) any proposal of the	
	Company to enter into, amend,	Company to enter into,	
	or terminate any Lease	amend, or terminate any	



Contract, Management
Contract or Joint Operation
Contracts;

- (2) any proposal to transfer or dispose of the whole or any substantial part of the Company's business or assets;
- (3) any proposal to acquire the whole of the business or assets of a third-party, which will have material effect on the operations of the Company;
- (4) upon recommendation of the Board, any proposal to distribute dividends or other distributions in whole or in part by way of issuance of new shares of the Company other than any distribution of bonus shares in connection with the Employees' Remunerations and Directors' Remunerations pursuant to Article 111;
- (5) any merger, consolidation, amalgamation, split-off or a splitting of the Company;
- (6) any issuance of equitylinked securities of the Company by way of private placement;
- (7) any proposal for the Company's shares to stop being publicly traded;
- (8) granting of employee stock options with an exercise price per share that is lower than the closing price of shares of the Company traded on the Taiwan Stock Exchange as of the grant date; and
- (9) any share swap pursuant to which all of the issued shares

Lease Contract, Management Contract or Joint Operation Contracts:

- (2) any proposal to transfer or dispose of the whole or any substantial part of the Company's business or assets;
- (3) any proposal to acquire the whole of the business or assets of a third-party, which will have material effect on the operations of the Company;
- (4) upon recommendation of the Board, any proposal to distribute dividends or other distributions in whole or in part by way of issuance of new shares of the Company other than any distribution of bonus shares in connection with the Employees' Remunerations and Directors' Remunerations pursuant to Article 111;
- (5) any merger,consolidation, amalgamation,split-off or a splitting of theCompany;
- (6) any issuance of equitylinked securities of the Company by way of private placement;
- (7) any proposal for the Company's shares to stop being publicly traded; and (8) granting of employee stock options with an exercise price per share that is lower than the closing price of shares of the Company traded on the Taiwan Stock Exchange as of

the grant date.



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	of the Company will be		
	transferred to another person in		
	exchange for which, shares,		
	cash or other assets in that		
	other person will be paid or		
	issued to the Members as		
	consideration.		
	Subject to compliance with	Subject to compliance with	Revised per Article
	Applicable Law, a Member who	Applicable Law, a Member	12 of Business
	has expressed his dissent, in	who has expressed his	Mergers and
	writing or verbally with a record,	dissent, in writing or verbally	Acquisitions Act
	before or during a general	with a record, before or during	
	meeting, with respect to any	a general meeting, with	
	resolution proposed at a	respect to any resolution	
	general meeting in relation to	proposed at a general meeting	
	the following matter(s), may	in relation to the following	
	abstain from exercising his	matter(s), may abstain from	
	voting rights in respect of such	exercising his voting rights in	
	resolution(s) and request the	respect of such resolution(s)	
	Company to acquire or	and request the Company to	
	purchase his share(s) at the	acquire or purchase his	
	then prevailing fair price:	share(s) at the then prevailing	
	(a) splitting part of the business	fair price:	
61	or assets of the Company by	(a) splitting part of the	
	way of disposal or otherwise;	business or assets of the	
	(b) a merger, Acquisition or	Company by way of disposal	
	share swap of the Company	or otherwise;	
	pursuant to which all of the	(b) a merger of the Company;	
	issued shares of the Company	(c) the Company proposes to	
	will be transferred to another	enter into, amend, or	
	person in exchange for which,	terminate any Lease Contract,	
	shares, cash or other assets in	Management Contract or Joint	
	that other person will be paid or	Operation Contract;	
	issued to the Members as	(d) transfer whole or any	
	consideration;	substantial part of the	
1		1	

assets; and

Company's business or

(e) acquisition of whole of the

business or assets of a third-

party, which materially affects

(c) the Company proposes to

any Lease Contract,

Operation Contract;

enter into, amend, or terminate

Management Contract or Joint

大洋	Topic Discussions		
	(d) transfer whole or any	the operation of the Company.	
	substantial part of the		
	Company's business or assets;		
	and		
	(e) acquisition of whole of the		
	business or assets of a third-		
	party, which materially affects		
	the operation of the Company.		
	Subject to the above, the	Subject to the above, the	Revised per Article
	Member shall give written	Member shall give written	12 of Business
	notice to request the Company	notice to request the	Mergers and
	to acquire or purchase his	Company to acquire or	Acquisitions Act
	shares no later than twenty (20)	purchase his shares no later	
	days after the passing of a	than twenty (20) days after the	
	conditional or unconditional	passing of a conditional or	
	resolution approving any of the	unconditional resolution	
	above matter(s) at the relevant	approving any of the above	
	general meeting, and shall	matter(s) at the relevant	
	state in such request the class,	general meeting, and shall	
	number of shares <u>and the</u>	state in such request the class	
	asking price for the repurchase	and number of shares that	
62	buying back that such Member	such Member requests the	
	requests the Company to	Company to repurchase.	
	repurchase provided that where		
	a merger or consolidation is		
	carried out under the provisions		
	of the Statute, any exercise of		
	rights by any Member under		
	Articles 62 and 63 shall be		
	deemed to be an exercise of		
	dissenter's rights under the		
	Statute and the provisions of		
	the Statue governing rights of		
	dissenters shall prevail over		
	these Articles.	If a was a major at the price of	Davised her Article
	Without prejudice to the	If agreement on the price of	Revised per Article
	Statute, if agreement on the	the shares can be reached between the Member and the	12 of Business
63	price of the shares can be		Mergers and
	reached between the dissenting	Company, the Company shall,	Acquisitions Act
	Member and the Company, the	subject to compliance with	

these Articles and the Statute,

Company shall, subject to



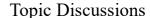
compliance with these Articles and the Statute, repurchase and pay for the shares within ninety (90) days of the date of the resolution passed by the Members under Article 61. In case no agreement is reached between the Company and the dissenting Member, the Company shall pay to the dissenting Member the offer price approved pursuant to the resolution passed by the Members under Article 61 within 90 days of the date of such resolution. If no payment has been made by the Company within 90 days of the date of the resolution passed by the Members under Article 61, the Company shall be deemed to have agreed to the repurchase price requested by the dissenting Member. If no agreement is reached within sixty (60) days of the date on which the resolution of Members under Article 61 was passed, to the extent that the laws of ROC prevail, the Company may, within thirty (30) days from the date on which the sixty day (60) period expires, apply to a competent court for a ruling on the price against all the dissenting Members as the opposing party in the Taipei District Court as the court of first instance.

repurchase and pay for the shares within ninety (90) days from the date on which the conditional or unconditional resolution was passed. If no agreement is reached within sixty (60) days of the date on which the resolution was passed, the Member may, within thirty (30) days from the date on which the sixty day (60) period expires, apply to a competent court for a ruling on the price. Subject to the ruling of the competent court, the Company shall pay judgment interest on the price as determined by the court from the date of expiration of the period referred to above.

66(e) The election of the directors
shall adopt candidates

N/A

Adopted candidates nomination system



i	大洋	百货	
		nomination system and such	
		adoption shall comply with	
		ROC SEA and the ROC	
		Company Act, to the maximum	
		extent permitted under the	
		Statute.	
		No person shall be disqualified	No ре
		from the office of Director or	disqu
		prevented by such office from	Direc
		contracting with the Company,	office
		either as vendor, purchaser or	Comp
		otherwise, nor shall any such	purch

for the election of directors

contract or any contract or transaction entered into by or on behalf of the Company in which any Director shall be in any way interested be or be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or transaction by reason of such Director holding office or of the fiduciary relation thereby established; provided, however, to the extent required by Applicable Laws, a Director may not vote in respect to any matter, including any contract or proposed contract or arrangement or contemplated transaction of the Company, whether on behalf of himself or as a proxy for another Director, in which such Director bears a personal interest which may conflict with and impair the interest of the Company, but the director may express his or her

erson shall be ualified from the office of ctor or prevented by such e from contracting with the pany, either as vendor, haser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director shall be in any way interested be or be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or transaction by reason of such Director holding office or of the fiduciary relation thereby established; provided, however, to the extent required by Applicable Laws, a Director may not vote in respect to any matter, including any contract or proposed contract or arrangement or contemplated transaction of the Company, whether on behalf of himself or as a proxy for another Director, in which such Director bears a personal

Revised per Paragraph 3, Article 5 of Business Mergers and Acquisitions Act

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interest which may conflict



opinion and respond to inquiries. After the interested director has responded to inquiries raised and/or expressed his or her opinions or views and as soon as the board of directors proceed to discuss their views and vote on the relevant matter, the interested director shall excuse him or herself from such discussion and voting, but the Director shall be counted in the quorum for purposes of convening such meeting. Paragraph 2, Article 206 of the ROC Company Act, under which the provisions under Paragraph 2, Article 180 of the same law may apply mutatis mutandis shall apply to directors who may not exercise their voting rights in the process of resolving a proposal at the Company's board meeting to the maximum extent that does not contravene the laws of the Cayman Islands. A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by law to the Board and the Audit Committee. In any merger, consolidation and/or acquisition by the Company, a director who has a personal interest in any such transaction shall disclose at the Board meeting and the general meeting at which such

with and impair the interest of the Company, but the director may express his or her opinion and respond to inquiries. After the interested director has responded to inquiries raised and/or expressed his or her opinions or views and as soon as the board of directors proceed to discuss their views and vote on the relevant matter, the interested director shall excuse him or herself from such discussion and voting, but the Director shall be counted in the quorum for purposes of convening such meeting. Paragraph 2, Article 206 of the ROC Company Act, under which the provisions under Paragraph 2, Article 180 of the same law may apply *mutatis mutandis* shall apply to directors who may not exercise their voting rights in the process of resolving a proposal at the Company's board meeting to the maximum extent that does not contravene the laws of the Cayman Islands. A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by law to the Board and the Audit Committee.

大洋	百货		Topic Discussions
	matter is considered the		
	essential details of such		
	personal interest and explain		
	the reasons why he/she		
	approves or disapproves such		
	transaction.		
	(a) Before any resolution for	N/A	Revised per Article
	merger/consolidation and		6, Article 7,
	acquisition is proposed to		Paragraph 3, Article
	the Board of Directors for		22, Paragraph 7,
	consideration and		Article 31 and
	approval, Audit Committee	_	Paragraph 2,
	shall review the fairness		Article 38 of
	and reasonableness of the	_	Business Mergers
	plan and terms of the		and Acquisitions
	merger/consolidation or		Act
	acquisition, and then repor	<u>t</u>	
	their review outcome to the	<u>.</u>	
	Board of Directors and		
	Members of the Company		
	if a resolution of Members		
	of the Company is required	_	
	for such matter under		
126B.	Applicable Laws or these		
	Articles.		
	(b) When Audit Committee		
	review any transaction, it		
	shall seek opinions from ar	<u>ı</u>	
	independent expert on the	-	
	justification of the share		
	exchange ratio or		
	distribution of cash or other	· -	
	assets.		
	(c) Review outcome of audit		
	committee and opinions of	-	
	independent experts shall		
	be provided to each		
	shareholder together with		
	the notice of the general		
	shareholders' meeting. If		
	the relevant transaction		



of the Members under the laws of the Cayman Islands or these Articles, reports of the audit committee and opinions of independent experts shall be provided at the next following general meeting for Members' information.

(d) Notwithstanding any provision to the contrary in these Articles, to the extent permissible under Applicable Law, if the Company has posted the report of the audit committee together with opinions of independent experts (if any)on a website designated by ROC competent authority and such report and expert's opinions are made available for inspection at the general meeting, such report and expert's opinions are deemed to have been duly provided to each shareholder as required under sub-

paragraph (c) above.



Topic 2: Amendment to Certain Articles of "Procedures of Loaning Capital to Others"

Board's Proposals

Descriptions:

- I. Part of the articles in "Management of Loans to Others" of the Company are amended due to the amendments to "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies".
- II. Please refer to Page 67 68 of the handbook for comparison table of the articles.
- III. Please be informed for discussion.

Resolution:



Comparison Chart of the Procedures of Loaning Capital to Others of GORG

Amendment	Current Article	Descriptions
Article 2	Article 3	Pursuant to
Limitations subject to the total	Limitations subject to the total	the laws
amounts of loan funds and the	amounts of loan funds and the	and
amounts of individual loans are as	amounts of individual loans are as	regulations
below:	below:	for
1. Any subjects complying with the	1. In terms of the targets whoever	amendment.
conditions specified in Article 1-1,	meet the conditions of Article 1-	aoa
where an inter-company or inter-	1, limitations of the total	
firm short-term financing facility is	amounts of loan funds and the	
necessary, provide that such	amounts of individual loans	
financing amount shall not exceed	must be defined as being 40%	
40 percent of the lender's net	of the net worth at most of The	
worth. Amounts of individual	Company in the latest financial	
loans shall be subject to the	statements.	
limitation of transaction	2. Omitted	
amounts at maximum due to	3. Any funds loaned between the	
commercial intercourse between	companies which are not	
two parties; the transaction	registered in Taiwan, as well as	
amount due to commercial	whose voting rights by	
intercourse herein implies the	shareholding ratios are 100%	
higher amount in regard with	possessed directly or indirectly	
purchase, sales, or, service	by The Company, or, any funds	
provision compared between	loaning between The Company	
the two parties.	and the companies which are	
2. Omitted	not registered in Taiwan, as well	
3. Any funds loaned between the	as whose voting rights by	
companies which are not registered	shareholding ratios are 100%	
in Taiwan, as well as whose voting	possessed directly or indirectly	
rights by shareholding ratios are	by The Company, shall not be	
100% possessed directly or	restricted by the preceding	
indirectly by the Company, or, any	provision, and both the total	
funds loaning between the	amounts of loan funds and the	
Company and other companies of	amounts of individual loans	
which the latter are not registered	shall be limited by the asset net	
in Taiwan, as well as whose voting	worth of the companies lending	
rights by shareholding ratios are	the funds.	
100% possessed directly or		
indirectly by the Company, shall not		



Amendment	Current Article	Descriptions
be restricted by the preceding provision, and both the total amounts of loan funds and the amounts of individual loans shall be		
limited by 1000% of the net worth		
of the current financial		
statements of the companies		
which lend the funds.		



Topic 3: Amendment to Certain Articles of "Rules of General Meeting of Members"

Board's Proposals

Descriptions:

- I. In compliance with the recent act amendments and considering practical operations for the company, a proposal is made here to amend the certain articles of "Rules of General Meeting of Members" of the company.
- II. Please refer to Page 70 78 of the handbook for comparison table of the articles.
- III. Please be informed for discussion.

Resolution:



Comparison Chart of the Rules of General Meeting of Members of GORG

	Amendment	Current Article	Descriptions
Article 3	Omission of the preceding five	Omission of the preceding five	Pursuant to
	items	items	the laws
	If the quorum is not met after		and
	two postponements as		regulations
	referred to in the preceding		for
	paragraph, but the attending		amendment.
	shareholders represent one		
	third or more of the total		
	number of issued shares, a		
	tentative resolution may be		
	adopted pursuant to Article		
	175, paragraph 1 of the		
	Company Act; all		
	shareholders shall be notified		
	of the tentative resolution and		
	another Shareholders Meeting		
	shall be convened within 1		
	month.		
	When, prior to conclusion of		
	the meeting, the attending		
	shareholders represent a		
	majority of the total number of		
	issued shares, the		
	Chairperson may resubmit the		
	tentative resolution for a vote		
	by the shareholders meeting		
	pursuant to Article 174 of the		
	Company Act.		
Article 5	Company Act. If a shareholders meeting is	If the shareholders meeting is	Pursuant to
	convened by the Board of	coordinated by the Board of	the laws
	Directors, the meeting agenda	Directors, the agenda shall be	and
	shall be set by the Board of	made by the Board. Also, the	regulations
	Directors, <u>as well as that the</u> relevant bills (including	shareholders meeting shall proceed according to this	for
	extraordinary motions and	agenda, where the change	amendment.
	amendments to the original	shall not be made unless	
	bills) shall all be put to the	being approved by the	
	votes case by case. The	resolution of the shareholders	



///HOV	Amendment	Current Article	Discussions Descriptions
	meeting shall proceed in the	meeting.	Descriptions
	order set by the agenda,	Omitted	
	which may not be changed	Omitted	
	without a resolution of the	The Chairperson shall allow	
	shareholders meeting.	ample opportunity during the	
	Omitted	meeting for explanation and	
	Omitted	discussion of proposals and of	
	The Chairperson shall allow	amendments or extraordinary	
	ample opportunity during the	motions put forward by the	
	meeting for explanation and	shareholders; when the	
	discussion of proposals and of	Chairperson is of the opinion	
	amendments or extraordinary	that a proposal has been	
	motions put forward by the	discussed sufficiently to put it	
	shareholders; when the	to a vote, or, that an	
	Chairperson is of the opinion	amendment thereof complies	
	that a proposal has been	with the outline, corporate	
	discussed sufficiently to put it	charter, and applicable laws	
	to a vote, or, that an	and regulations of the	
	amendment thereof complies	Company, the Chairperson	
	with the outline, corporate charter, and applicable laws	may announce the discussion closed and call for a vote.	
	and regulations of the	closed and call for a vote.	
	Company, the Chairperson		
	may announce the discussion		
	closed and call for a vote and		
	arrange the adequate time for		
	<u>it.</u>		
Article 7	Unless there are other specific	Unless there are other specific	Pursuant to
	laws and regulations to	laws and regulations to	the laws
	stipulate for the convention,	stipulate for the convention,	and
	shareholders meeting shall be	shareholders meeting shall be	regulations
	coordinated by the Board of	coordinated by the Board of	for
	Directors of the Company.	Directors of the Company.	amendment.
	The Company shall make the	The Company shall make the	
	electronic files including notice	electronic files including notice	
	of shareholders meeting, letter	of shareholders meeting, letter	
	(paper) of administration,	(paper) of administration,	
	recognition case, topic	recognition case, topic	
	discussion, electing or	discussion, electing or	
	dismissal of a Director, as well	dismissal of a Director, as well	
	as cause and descriptions for	as cause and descriptions for	



Amandmant	<u> </u>	Descriptions
Amendment	Current Article	Descriptions
each bill, and upload to Market	each bill, and upload to Market	
Observation Post System 30	Observation Post System 30	
days prior to the general	days prior to the general	
shareholders meeting, or 15	shareholders meeting, or 15	
days prior to the temporary	days prior to the temporary	
shareholders meeting. Also,	shareholders meeting. Also,	
the Company shall make the	the Company shall make the	
electronic files including	electronic files including	
handbook for the shareholders	handbook for the shareholders	
meeting as well as	meeting as well as	
supplementary meeting	supplementary meeting	
information, and upload to	information, and upload to	
Market Observation Post	Market Observation Post	
System 21 days prior to the	System 21 days prior to the	
general shareholders meeting,	general shareholders meeting,	
or 15 days prior to the	or 15 days prior to the	
temporary shareholders	temporary shareholders	
meeting. <u>Handbook for</u>	meeting.	
current shareholders meeting	Reasons of convention shall	
as well as supplementary	be detailed in the notice and	
meeting information shall be	announcement; electronic	
prepared 15 days prior to the	format used for the information	
shareholders meeting for the	hereto is permissible if the	
shareholders to view anytime,	offeree approves.	
demonstrated in the Company		
and the mandated stock		
transfer agent of the		
Company, as well as being		
provided on the site of		
shareholders meeting.		
Reasons of convention shall		
be detailed in the notice and		
announcement; electronic		
format used for the information		
hereto is permissible if the		
offeree approves.		
Election or dismissal of		



Amendment	Current Article	Discussions Descriptions
Directors or supervisors,		
amendments to the corporate		
charter, capital reduction,		
application for cease of public		
offering, permission of non-		
compete agreement of		
Directors, capital increase by		
retained earnings, capital		
increase by capital surplus,		
dissolution, merger, or		
demerger of the Company, or		
any matters defined in Article		
185-1 of the Company Act,		
shall be set out in the notice of		
the reasons for convening the		
shareholders meeting. None		
of the above matters may be		
raised by an extraordinary		
motion, where the major		
content thereof shall be put on		
the website designated by the		
securities authority or the		
Company, of which the		
Internet site shall be specified		
in the notice.		
Reasons for convening a		
shareholders meeting have		
been specified of the full re-		
election of Directors and		
supervisors, and the date of		
inauguration. After the re-		
election of the shareholders		
meeting, the date of		
inauguration shall not be		
modified through extraordinary		
motion or other methods in the		
same meeting.		



Amendment	Current Article	Descriptions
A shareholder holding 1		·
percent or more of the total		
number of issued shares may		
submit to the Company a		
written proposal for discussion		
at a regular shareholders		
meeting. Such proposals,		
however, are limited to one		
item only, and no proposal		
containing more than one item		
will be included in the meeting		
agenda. However, if the		
purpose of a proposal from the		
shareholder is to improve the		
public welfare or social		
responsibility, the Board of		
Directors shall include this		
proposal in the meeting		
agenda. <u>In addition, when</u>		
the circumstances of any		
subparagraph of Article 172-1,		
paragraph 4 of the Company		
Act apply to a proposal put		
forward by a shareholder, the		
Board of Directors may		
exclude it from the agenda.		
Prior to the book closure date		
<u>before a regular shareholders</u>		
meeting is held, the Company		
shall publicly announce that it		
will receive shareholder		
proposals, and the location		
and time period for their		
submission; the period for		
submission of shareholder		
proposals may not be less		
than 10 days.	1	



XXXX	Amendment	Current Article	Discussions Descriptions
	Shareholder-submitted		•
	proposals are limited to 300		
	words, and no proposal		
	containing more than 300		
	words will be included in the		
	meeting agenda. The		
	shareholder making the		
	proposal shall be present in		
	person or by proxy at the		
	regular shareholders meeting		
	and take part in discussion of		
	the proposal.		
	Prior to the date for issuance		
	of notice of a shareholders		
	meeting, the Company shall		
	inform the shareholders who		
	submitted proposals of the		
	proposal screening results,		
	and shall list in the meeting		
	notice the proposals that		
	conform to the provisions of		
	this article. At the		
	shareholders meeting the		
	Board of Directors shall		
	explain the reasons for		
	exclusion of any shareholder		
	proposals not included in the		
	agenda.		
Article 10	When the Company holds a	When voting for a bill, it is	Pursuant to
	shareholders meeting, it may	considered to be an approval	the laws
	allow the shareholders to	if at least half of the number of	and
	exercise voting rights by	the present shareholders`	regulations for
	correspondence or electronic	votes give assent, except for	amendment.
	means. When voting rights are	some special circumstances	amonamont.
	exercised by correspondence	subject to the Company Act or	
	or electronic means, the	other regulations stipulated in	
	method of exercise shall be	the charter of the Company.	



A du t	1	Discussions
Amendment	Current Article	Descriptions
specified in the shareholders	When voting, the Chairperson	
meeting notice. A shareholder	or the designated person shall	
exercising voting rights by	announce the total number of	
correspondence or electronic	the votes by the shareholders	
means will be deemed to have	who present case by case,	
attended the meeting in	and then leave the	
person, but to	shareholders to vote case by	
have waived his/her rights with	case.	
respect to the extraordinary	If there is any amendment or	
motions and amendments to	alternative for the same bill,	
original proposals of that	the chairperson shall combine	
meeting; it is therefore	it with the original one and	
advisable that the Company	determine the voting	
avoid the submission of	sequence.	
extraordinary motions and	If one of them has been	
amendments to original	approved, then the other bills	
proposals.	shall be considered as	
A shareholder intending to	rejection and a revote shall not	
exercise voting rights by	be carried out.	
correspondence or electronic		
means under the preceding		
paragraph shall deliver a		
written declaration of intent to		
this Corporation before 2 days		
before the date of the		
shareholders meeting. When		
duplicate declarations of intent		
are delivered, the one		
received earliest shall prevail,		
except when a declaration is		
made to cancel the earlier		
declaration of intent.		
After a shareholder has		
exercised voting rights by		
correspondence or electronic		
means, in the event the		
shareholder intends to attend		



Amendment	Current Article	Discussions Descriptions
the shareholders meeting in		
person, a written declaration		
of intent to retract the voting		
rights already exercised under		
the preceding paragraph shall		
be made known to the		
Company, by the same means		
by which the voting rights		
were exercised, before 2		
business days before the date		
of the shareholders meeting. If		
the notice of retraction is		
submitted after that time, the		
voting rights already exercised		
by correspondence or		
electronic means shall prevail.		
When a shareholder has		
exercised voting rights both by		
correspondence or electronic		
means and by appointing a		
proxy to attend a shareholders		
meeting, the voting rights		
exercised by the proxy in the		
meeting shall prevail.		
When voting for a bill, it is		
considered to be an approval		
if at least half of the number of		
the present shareholders`		
votes give assent, except for		
some special circumstances		
subject to the Company Act or		
other regulations stipulated in		
the charter of the Company.		
When voting, the Chairperson		
or the designated person shall		
announce the total number of		
the votes by the shareholders		



Amendment	Current Article	
Amendment	Current Article	Descriptions
who present case by case,		
and then leave the		
shareholders to vote case by		
case.		
If there is any amendment or		
alternative for the same bill,		
the chairperson shall combine		
·		
· '		
	O:#4- 4	5
The meeting minutes shall accurately record the year, month, day, and place of the meeting, the Chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including the estimated weighting factor); weighting factor of the vote of each candidate shall be disclosed if an election of Director or supervisor is held. and shall be retained for the duration of the existence of this Corporation. Numbers of shares by approval or rejection for a bill, as well as the total shares, shall be documented precisely	The meeting minutes shall accurately record the year, month, day, and place of the meeting, the Chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of the Company. Numbers of shares by approval or rejection for a bill, as well as the total shares, shall be documented precisely in the meeting minutes.	Pursuant to the laws and regulations for amendment.
	and then leave the shareholders to vote case by case. If there is any amendment or alternative for the same bill, the chairperson shall combine it with the original one and determine the voting sequence. If one of them has been approved, then the other bills shall be considered as rejection and a revote shall not be carried out. Omitted The meeting minutes shall accurately record the year, month, day, and place of the meeting, the Chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including the estimated weighting factor); weighting factor of the vote of each candidate shall be disclosed if an election of Director or supervisor is held. and shall be retained for the duration of the existence of this Corporation. Numbers of shares by approval or rejection for a bill, as well as the total shares,	and then leave the shareholders to vote case by case. If there is any amendment or alternative for the same bill, the chairperson shall combine it with the original one and determine the voting sequence. If one of them has been approved, then the other bills shall be considered as rejection and a revote shall not be carried out. Omitted The meeting minutes shall accurately record the year, month, day, and place of the meeting, the Chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including the estimated weighting factor); weighting factor of the vote of each candidate shall be disclosed if an election of Director or supervisor is held. and shall be retained for the duration of the existence of this Corporation. Numbers of shares by approval or rejection for a bill, as well as the total shares, shall be documented precisely in the meeting minutes.



Topic: Full Re-election of Directors of Board

Board's Proposal

Description:

- The term of office of the current Directors of Board shall be terminated on Jun 19, 2020, where the full re-election shall be held in current shareholders meeting accordingly.
- II. Following the regulations formulated in the charter of the Company, 7 chairs of the Directors of the Board shall be elected in this session (wherein 3 amongst the chairs are Independent Directors), and the term of office thereof is subject to 3 years.
- III. The newly elected Directors of the Board shall take office immediately after the election, where the term of office is subject to 3 years, since Jun 17, 2020 to Jun 16, 2023.
- IV. Election of Independent Director of the Company shall company with the candidate nomination system, where shareholders shall vote for the election among the candidate list of Independent Director.
- V. The candidate list of the Independent Director has been investigated by the Board on April 30, 2020, where the related information is as follows:

Serial Number	Name	Number of Shares	Major Education and Experience					
1	DING	0	Education:					
	JIN		NCTU Executive Master of Business Administration; Ph.D. in Business					
	HUEI		Management, Tianjin Nankai University; Certified Public Accountant of					
			he Republic of China					
			Working Experience:					
			ember of School Affairs Fund of NCTU;Director、Secretary of					
			hinese Association of Valuation;Host of Taipei's bus privatization					
			lanning and implementation plan;Independent Director of ASSEM					
			ECHNOLOGY CO., LTD \ LUNG HWA ELECTRONIC CO., LTD \					
			TRENDCHIP TECHNOLOGY CO., LTD; Remuneration Committee of					
			TSTI					
			Current Position:					
			Director of PAN ASIA INTERNATIONAL & CO., CPAs; Arbitrator of					
			CHINESE ARBITRATION ASSOCIATION, TAIPEI; Adjunct Assistant					
			Professor of NCTU; Supervisor of HUANABIOTECH CO., LTD;					
			Director of Preferred Investment Advisors(HK) Ltd; Director of UNION					
			WINNER INTERNATIONAL CO., LTD.(KY); Independent Director of					



Serial Number	Name	Number of Shares	Major Education and Experience					
			Taiwan Environment Scientific Co., Ltd					
2	SHER	0	Education:					
	CHIN		Master of Practising Accounting, MONASH UNIVERSITY; Bachelor					
	G YEE		degree from University of London; Member of the					
			Association of Chartered Certified Accountants, UK.					
			Working Experience:					
			Auditor of Deloitte Touche Tohmatsu Limited (HK); Director of Dehui					
			International(Group)Co., Ltd;Vice Chairman & MG of Xiamen Shijia					
			Chemical Co., Ltd; GM of Qianjing Clothing Co., Ltd.; GM of Qingdao					
			Mingyu Real Estate Plaza Co., Ltd.					
			Current Position:					
			Vice Chairman of Dehui International (Group) Co., Ltd; Chairman					
			of Qingdao Mingyu Real Estate Plaza Co., Ltd.					
3	LIN	0	Education:					
	YUK		NEW YORK UNIVERSITY STERN SCHOOL OF BUSINESS/HONG					
	YAN		KONG UNIVERSITY OF SCIENCE & TECHNOLOGY M.S.Degree,					
	MAYA		Global Finance; PARSONS SCHOOL OF DESIGN AAS Degree,					
			Fashion Merchandising w/Honors – PS Dean's Scholarship, PS Dean's List; NEW YORK UNIVERSITY B.S. Degree, Communications w/					
			Specialization in Advertising & Marketing.					
			Working Experience:					
			LOUIS VUITTON LTD., Hong Kong. Retail Marking Analyst、Assistant					
			Manager					
			FENDI NA INC, NEW YORK. Retail Marking Manager.					
			POSCELIN CO., LTD., Hong Kong. Director.					
			Cartier, Far East, Project Manager.					
			Current Position:					
			Cartier, High Jewellery Direct · Regional High Jewellery Director, Asia.					
			The Hong Kong Ballet Limited, Governor.					

I. Please be informed for the election.

Election Results:



Topic: Relief of Competition Limitation for New Elected Directors

Board's Proposal

Description:

- If the newly elected Director of Board as well as his/her representative launches any investment on or manage other company and occupies as a Director of which the business scope is same or similar to the Company, it is advisable to submit the provision to the shareholders meeting for relief of competition limitation for the newly elected Director of Board as well as his/her representative, in compliance with Article 209 of the Company Act of ROC and the charter of the Company, under the prerequisite of that the conduct shall not endanger the benefits of the Company.
- II. Please be informed for discussion.

Resolution:



Adjournment

Appendix

Appendix I: Articles of Incorporation

THE COMPANIES LAW (2018 Revision) Company Limited by Shares

SEVENTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION

(adopted pursuant to special resolutions of the shareholders

of the Company passed on the [27] day of [Jun], 2019)

OF

GRAND OCEAN RETAIL GROUP LIMITED

1. In these Articles Table A in the Schedule to the Statute does not apply and, unless there be' something in the subject or context inconsistent therewith,

"Subsidiary"	any	other	person	or	entity	that	dired	ctly,	or	ind	lire	ctly
							-					

through one or more intermediaries, is controlled by, or is under common control with the Company. For the purposes of this definition, "control" (including the terms "controlling", "controlled by" and "under common control with"), shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of the Company, whether through ownership of voting securities, by

contract, agency or otherwise;

"Articles" means the Articles as originally framed or as from time

to time altered by Special Resolution.

"Applicable Law" means the laws of the ROC, the rules of the

Designated Stock Market, the Statute or such other

rules or legislation applicable to the Company.

"Approved Stock

Exchange"

means a stock exchange listed in the Fourth Schedule

to the Statute.

"Audit

Committee"

means the audit committee of the Company formed by the Board pursuant to Article 120 hereof, or any

successor audit committee.

"Commission" means the Financial Supervisory Commission of the

ROC or any other authority for the time being

administering the ROC SEA.

"Company" m

means the above named Company.

"Compensation Committee"

means the compensation committee formed by the Board pursuant to Article 89(f) hereof.

"Cumulative Voting"

means the voting mechanism for an election of Directors as described in Article 67

"Debenture"

means debenture stock, mortgages, bonds and any other such securities of the Company whether constituting a charge on the assets of the Company or not.

"Designated Stock Market" means the Taiwan Stock Exchange Corporation.

"Board"

means the board of directors appointed or elected pursuant to these Articles and acting at a meeting of directors at which there is a quorum in accordance with these Articles.

"Directors"

means the directors for the time being of the Company.

"Dividend"

includes bonus.

"Family Relationship within Second Degree of Kinship" in respect of a person, means another person who is related to the first person either by blood or by marriage of a member of the family and within the second degree to include but not limited to the parents, siblings, grandparents, children and grandchildren of the person as well as spouse's parents, siblings and grandparent.

"Independent Directors"

as defined in the Securities and Exchange Act of the ROC and rules and regulations promulgated thereunder:

"Joint Operation Contract"

a contract between the Company and one or more person(s) or entit(ies) where the parties to the contract agree to pursue the same business venture and jointly bear losses and enjoy profits arising out of such business venture in accordance with the terms of such contract.

"Lease Contract"

means a contract or arrangement between the Company and any other person(s) pursuant to which such person(s) lease or rent from the Company the necessary means and assets to operate a material or substantial part of the business of the Company in the name of such person and for the benefits of such person, and as consideration, the Company receives a pre-determined compensation from such person.

"Legal Reserves"

means the designated reserve allocated from profits of the Company in accordance with the Applicable Law.

"Litigious or Non-Litigious Agent (訴訟或非訟代理 人)" means a person appointed by the Company pursuant to the Applicable Law as the Company's responsible person in the ROC (本公司於中華民國境內之負責人).

"Management Contract"

means a contract or arrangement between the Company and any other person(s) pursuant to which such person(s) manage and operate the business of the Company in the name of the Company and for the benefits of the Company, and as consideration, such person(s) received a pre-determined compensation while the Company continues to be entitled to the profits (or losses) of such business.

"Member"

shall bear the meaning as ascribed to it in the Statute.

"Month"

means calendar month.

"NTD"

New Taiwan Dollars

"Ordinary Resolution" means a resolution passed at a general meeting (or, if so specified, a meeting of Members holding a class of shares) of the Company of which a quorum is present by a majority of more than one-half of the votes cast by such Members as, being entitled so to do, vote in person, or in the case of any Member being a corporation, by its duly authorised representative, or where proxies are allowed, by proxy;

"Paid-up"

means paid-up and/or credited as paid-up.

"Registered Office"

means the registered office for the time being of the Company.

"Retained Earnings"

means profits of the Company including but not limited to sums allocated to the Legal Reserves, Special Reserves, and unappropriated earnings. "ROC" means the Republic of China.

"ROC SEA" means the Securities and Exchange Act of the ROC

as amended and every statutory modification or re-

enactment thereof for the time being in force.

"Seal" means the common seal of the Company and includes

every duplicate seal.

includes an Assistant Secretary and any person "Secretary"

appointed to perform the duties of Secretary of the

Company.

"Share" includes a fraction of a share.

"Special means the reserve allocated from profits of the Reserves" Company in accordance with the Applicable Law, or

resolutions of shareholders meetings.

"Special means a resolution passed at a general meeting (or, if Resolution"

so specified, a meeting of Members holding a class of shares) of the Company of which a quorum is present by a majority of at least two-thirds of the vote cast by such Member as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which the quorum is present, specifying (without prejudice to the power contained in these Articles to amend the same) the intention to

propose the resolution as a special resolution.

"Statute" means the Companies Law of the Cayman Islands as

amended and every statutory modification or re-

enactment thereof for the time being in force.

"Treasury Shares" means Shares that were previously issued but were

purchased, redeemed, otherwise acquired by or surrendered to the Company which are held by the

Company and not cancelled.

"Written" and In

include all modes of representing or reproducing Writing" words in visible form.

Words importing the singular number only include the plural number and vice versa.

Words importing the masculine gender only include the feminine gender.

Words importing persons only include corporations.

Section 8 of the Electronic Transactions Law shall not apply to the extent that it

imposes obligations or requirements in addition to those set out.

- 2. The business of the Company may be commenced as soon after incorporation as the Directors shall see fit, notwithstanding that part only of the shares may have been allotted.
- 2B. When conducting its 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.
- 3. The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company including the expenses of registration.

CERTIFICATES FOR SHARES

- 4. Shares of the Company may be issued in uncertificated/scripless form. If shares are issued in certificated forms, certificates representing shares of the Company shall be in such form as shall be determined by the Directors. Such certificates may be under Seal. All certificates for shares shall be consecutively numbered or otherwise identified and shall specify the shares to which they relate. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered in the register of Members of the Company. All certificates surrendered to the Company for transfer shall be cancelled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled. The Directors may authorize certificated to be issued with the seal and authorised signature(s) affixed by some method or system of mechanical process.
- 5. Notwithstanding Article 4 of these Articles, if a share certificate be defaced, lost or destroyed, it may be renewed on payment of a fee of one dollar (US\$1.00) or such less sum and on such terms (if any) as to evidence and indemnity and the payment of the expenses incurred by the Company in investigating evidence, as the Directors may prescribe.
- 6. Share certificates may not be issued in bearer form.

ISSUE OF SHARES

7. (a) Subject to the requirements of these Articles and Applicable Law, the issuance of shares or securities shall be at the disposal of the Board of Directors provided that the issuance must be approved by a majority vote cast at a meeting of the Board with two-thirds (2/3) or more of the total number of Directors present and where shares carrying any deferred, additional or special rights are proposed to be issued, such issuance shall require the approval of the Members in accordance with Article 7(b) below. Subject to the foregoing, the Board may offer, allot, grant options over, or otherwise dispose of them to such persons, on such terms and conditions as the Directors may in their absolute discretion

- determine, but so that no share shall be issued at a discount, except in accordance with the provisions of the Statute.
- (b) Subject to these Articles and to any resolution of the Members to the contrary, the rules of the Designated Stock Market, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, where the Board proposes to issue any share that carry any deferred, additional or special rights (including the issue or grant of options, warrants and other rights, renounceable or otherwise in respect of such shares), such issuance shall be subject to the prior approval of the Members by way of Special Resolution and the Members may by Special Resolutions approve the issuance of any share with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise, provided that no share shall be issued at a discount except in accordance with the Statute; and , the Memorandum and these Articles shall thereupon be amended with the sanction of a Special Resolution to stipulate the rights, benefit and restriction of any such preferred or deferred shares and the authorised number of the preferred or deferred shares.
- (c) Subject to these Articles and the rules of the Designated Stock Market, where the Board proposes to issue any shares to the employees of the Company and/or its Subsidiaries with deferred rights or subject to restrictions (whether contractual or otherwise) in accordance with the terms of their issue, such issuance shall be subject to the prior approval of the Members by way of Special Resolution. The amount, price and terms of any such restricted shares shall be determined in accordance with the Applicable Law.
- 8. (a) The Company shall maintain a register of its Members which may be kept outside the Cayman Islands at such place as the Directors shall approve and every Member shall be entitled, without payment, to a certificate of the Company specifying the share or shares held by him and the amount paid up thereon within thirty (30) days from the date that the name of Member is entered in the Register of Members in respect of such shares acquired by such Member, issue share certificates in accordance with these Articles and deliver the share certificates to the Members, unless the shares of the Company are issued in scripless form. In respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all. Company shall publicly announce in the manner permitted by Applicable Law the time and procedure for Members to collect their share certificates. Where the shares are issued in scripless form and where applicable, the Company shall procure and instruct the relevant depositary or clearing house to make the necessary book entries to reflect the entitlement of the relevant Member in accordance with the Applicable Law.
 - (b) The Board may cause to be kept in any country or territory one or more branch registers of such category or categories of members as the Board may determine from time to time and any branch register shall be deemed to be part of the Company's register of members. Where a branch register is kept, the Company shall cause to be kept at the place where the principal register of members of the Company is kept a duplicate of any branch register duly entered up from time to time within twenty-one (21) days (or within such other time period required under

- the Law) after establishing such branch register or making changes to the details recorded in the branch register.
- (c) Any register maintained by the Company in respect of listed shares, which are defined as the shares of the Company traded or listed on an Approved Stock Exchange,may be kept by recording the particulars set out in section 40 (as amended from time to time) of the Statute in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the rules and regulations of the relevant Approved Stock Exchange provided that if a listed shares register is maintained, the Company must also maintain, in respect of any shares of the Company which are not listed shares, a separate register of members in accordance with section 40 (as amended from time to time) of the Statute.
- 9. Notwithstanding any other provision in these Articles, all shares of the Company must be fully paid for or credited as fully paid up upon issue.

TRANSFEF OF SHARES

- 10. All transfers of shares which are in certificated form may be effected by transfer in writing in any usual form or in any other form which the Board may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid up, by or on behalf of the transferee. Without prejudice to the last preceding Article, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers.
- 11. Any transfer in respect of shares of the Company which are traded or listed on an Approved Stock Exchange may be evidenced and transferred in accordance with the laws applicable to and the rules and regulations of the relevant Approved Stock Exchange that are or shall be applicable to such shares of the Company which are traded or listed on such an Approved Stock Exchange.
- 12. The registration of transfers may be suspended at such time in accordance with Article 22, or otherwise for such periods as the Directors may from time to time determine appropriate subject to the requirements of the Articles and the Applicable Laws.

REDEEMABLE SHARES AND PURCHASE OF SHARES

- 13. Subject to the compliance with the Applicable Law,
 - (a) Subject to the provisions of the Statute and the Memorandum of Association, shares may be issued on the terms that they are, or at the option of the Company or the holder are, to be redeemed on such terms and in such manner as the Company, before the issue of the shares, may by Special Resolution determine.
 - (b) Subject to the Statute, these Articles and, where applicable, the rules of the Designated Stock Market and/or any competent regulatory authority, the Company shall have the power to purchase or otherwise acquire its own shares, including a purchase of shares in connection with Article 62 or paragraph (c)

below and to accept the surrender of its fully paid up shares without consideration. Unless a purchase is made in connection with Article 62 (other than a purchase that involves a pro rata purchase and cancellation of shares of the Company among all the Members which shall also be subject to approval by way of Ordinary Resolution under Article 13(h)), any purchase by the Company of its shares listed in the Designated Stock Market shall be approved by consent of majority of the Directors present at the meeting attended by two-thirds (2/3) or more of the total number of Directors, and the relevant board resolution approving the purchase and execution thereof by the Company (or lack thereof) shall be reported in the following general meeting of the Members.. The Company may make payments in respect of the purchase of its shares out of capital or out of any other account or fund legally available in accordance with the Statute.

- (c) Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) may be cancelled immediately or held as Treasury Shares in accordance with the Statue and on such terms and conditions as determined by the Directors. In the event that the Directors do not resolve that the relevant shares are to be held as Treasury Shares, such shares shall be cancelled.
- (d) No dividend may be declared or paid, and no other distribution (whether in cash, shares, bonus issue or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up) may be declared or paid in respect of a Treasury Share.
- (e) The Company shall be entered in the Register as the holder of the Treasury Shares provided that:
 - (i)the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
 - (ii)any Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of these Articles or the Statute.
 - (iii)subject to other provisions in these Articles, Treasury Shares may be disposed of, transferred or cancelled by the Company on such terms and conditions as determined by the Directors.
- (f) Without prejudice to the generality of Article 13(e)(iii) and subject to compliance with the Statute, the Company may transfer the Treasury Shares to the employees of the Company and/or of the Company's Subsidiary(ies), and the Board may impose a lock-up period restricting the transfer of any Treasury Shares transferred to the employees pursuant to this Article 13(f) for a term of

up to two (2) years, provided, however, if the Company shall transfer the Treasury Shares to the employees of the Company and/or of the Company's Subsidiary(ies) for a consideration that is less than the consideration paid by the Company, such transfer of Treasury Shares is subject to approval by the Members by way of a Special Resolution passed at a general meeting of the Members, and the following matters shall be specified with reasonable explanation in the notice of such general meeting of the Members:

- consideration receivable by the Company for the disposal of the Treasury Shares and the applicable discount rate as determined by reference to the consideration paid by the Company as well as calculation basis and an assessment of the reasonableness thereof;
- (ii) number of Treasury Shares subject to the transfer, purpose of the transfer and an assessment of the reasonableness thereof;
- (iii) qualification requirements of employee(s) eligible to purchase such Treasury Shares and the number of Treasury Shares to be purchased by such employee(s); and
- (iv)effects on the share capital, share premium and profits and loss of the Company, including the amount to be booked as expenses of the Company relating to the transfer, the dilution effect on the Company's per share earning, and any adverse effect on the Company's financial circumstances that may be caused by disposing the Treasury Shares for a consideration that is less than the consideration paid by the Company.

The foregoing matters shall not be discussed or submitted for voting or proposed for discussion or approval at a general meeting unless they have been included in the notice of such general meeting.

- (g) The aggregate number of Treasury Shares to be purchased by the employees of the Company and/or of the Company's Subsidiary(ies) pursuant to approvals obtained at one or more general meetings of the Members under paragraph (f) may not, whether in a single or series of transaction(s), exceed five percent (5%) of the total issued shares of the Company at any time, and the total cumulative amount of shares purchased by any single employee may not, in a single or series of transaction(s), exceed 0.5% of the Company's total number of issued shares at any time.
- (h) Subject to the Statute, these Articles and, where applicable, the rules of the Designated Stock Market and/or any competent regulatory authority, the Company may by Ordinary Resolution authorize and approve a repurchase of its own shares from all of the Members, provided that
 - (i) The number of shares to be repurchased pursuant to a repurchase of Shares described in this Article 13 (h) shall be pro-rata among the Members in proportion to the number of shares held by each such Member and all repurchased shares shall be cancelled;
 - (ii) In connection with a repurchase of shares, the Company may make

payments in respect of the repurchased shares either in cash or in kind out of any account or funds legally available therefor. The value and amount of any payment in kind shall be determined and approved at the general meeting of the Members and consented to by the Members receiving such payment in kind in writing as consideration for the repurchased shares, and the Board shall have a ROC certified public accountant issue an appraisal and/or audit report in respect of the value and amount of the payment in kind as consideration prior to the general meeting.

Subject to compliance with the above, any approval granted by the Members in accordance with this Article 13(h) shall be binding on each and every Member(s) irrespective of whether such Member was a Member at the time that such approval was granted or whether such Member had abstained from voting, voted for or against such resolution at the general meeting approving such repurchase of shares of the Company and no further transfer document(s) shall be required from any Member whose shares are subject to the repurchase to effect the transfer of the repurchased shares to the Company for cancellation and/or for implementation of the repurchase of shares authorized in accordance with this Article 13(h), save and except where the repurchase price is payable in kind then the written consent of the relevant Member receiving such payment in kind shall be required.

(i) Subject to Applicable Law and the requirements of these Articles, the Company may, by a majority vote cast at a meeting of the Board at which two thirds (2/3) or more of the total number of Directors are present, grant such number of employee stock options, and set forth the terms of employee stock option issuance and exercise plan. Employee stock options may be granted to the employees of the Company and/or of the Company's Subsidiary(ies) in accordance with the Applicable Law. A total of [10,000,000] shares among the authorised shares of the Company should be reserved for issuing shares upon an exercise of the employee stock options. An employee stock option shall not be transferrable, except through transfer by inheritance or intestacy.

VARIATION OF RIGHTS OF SHARES

- 14. (a) If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the sanction of a Special Resolution passed at a general meeting of the holders of the shares of that class.
 - (b) The provisions of these Articles relating to general meetings shall apply to every such general meeting of the holders of one class of shares.
- The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further

shares ranking pari passu therewith.

NON-RECOGNITION OF TRUSTS

16. No person shall be recognized by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise(even when having notice thereof) any equitable, contingent, future, or partial interest in any share, or any interest in any fractional part of a share, or (except only as is otherwise provided by these Articles or the Statute) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

REGISTRATION OF EMPOWERING INSTRUMENTS

17. The Company shall be entitled to charge a fee not exceeding one dollar (US\$1.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

TRANSMISSION OF SHARES

- 18. In case of the death of a Member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares, but nothing herein contained shall release the estate of any such deceased holder from any liability in respect of any shares which had been held by him solely or jointly with other persons.
- 19. (a) Any person becoming entitled to a share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any other way than by transfer)may, upon such evidence being produced as may from time to time be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to make such transfer of the share to such other person nominated by him as the deceased or bankrupt person could have made and to have such person registered as the transferee thereof, but the Board shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy as the case may be.
 - (b) If the person so becoming entitled shall elect to be registered himself as holder he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- 20. A person becoming entitled to a share in certificated form by reason of the death or bankruptcy or liquidation or dissolution of the holder (or in any other case than by transfer) shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company PROVIDED HOWEVER that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the

share and if the notice is not complied with within ninety days the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.

AMENDMENT OF MEMORANDUM OF ASSOCIATION, CHANGE OF LOCATION OF REGISTERED OFFICE & ALTERATION OF CAPITAL

- 21. (a) Subject to and in so far as permitted by the provisions of the Statute, the Company may from time to time by Special Resolution alter or amend its Memorandum of Association to:
 - (i) increase the share capital by such sum to be divided into shares of such amount or without nominal or par value as the resolution shall prescribe and with such rights, priorities and privileges annexed thereto, as the Company in general meeting may determine.
 - (ii)consolidate any of its share capital into shares of larger amount than its existing shares;
 - (iii)subdivide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association or into shares without nominal or par value; or
 - (iv)cancel any shares which at the date of passing of the resolution have not been taken or agreed to be taken by any person;
 - provided that any share(s) issued by the Company without any par or nominal value shall not by any means be converted or re-designated into share(s) with par or nominal value.
 - (b) All new shares created hereunder shall be subject to the same provisions with reference to the same provisions as the shares in the original share capital.
 - (c) Subject to the provisions of the Statute, the Company may by Special Resolution change its name or alter its objects.
 - (d) Subject to the provisions of the Statute, the Company may by Special Resolution reduce its share capital (including cancellation of issued shares) or any capital redemption reserve fund in any manner permitted by the Statute. Where a reduction of issued share capital is to be effected by way of cancellation of issued shares, the number of issued shares to be cancelled against each Member's shareholding shall be determined on a pro rata basis based on the total number of issued shares held by such Member relative to the total number of issued shares.
 - (e) Subject to the provisions of the Statute, the Company may by resolution of the Directors change the location of its registered office.

CLOSING REGISTER OF MEMBERS OF FIXING RECORD DATE

22. The Register of Members shall be closed for sixty (60) days prior to the date the annual general meeting is scheduled to convene and thirty (30) days prior to the date the extraordinary general meeting is scheduled to convene. For the purpose of determining Members entitled to notice of or to vote at any such annual or extraordinary general meeting of Members or any adjournment thereof, the Directors of the Company are entitled to fix a record date by reference to the proposed date of such annual or extraordinary general meeting of Members.

23. For the purpose of determining the Members entitled to receive payment of any dividend or distribution, the Register of Members shall be closed for five (5) days prior to the date of the declaration of such dividend or distribution in accordance with Article 111. Subject to the requirements of these Articles, Members whose names are recorded in the Register of Members upon commencement of the above closure period shall be entitled to receive payment of any dividend or distribution, whichever the case may be.

PRE-EMPTIVE RIGHTS OF EXISTING MEMBERS

- 24. Unless waived by an Ordinary Resolution of Members, the Company shall, when conducting any share offering other than an issuance of shares resulting from or in connection with any merger, consolidation, split-off, amalgamation, asset acquisition, group reorganisation, share swap, share subdivision, exercise of share options, warrants or awards granted to employees, conversion of convertible securities or debt instruments or pursuant to resolutions of the Board passed conditionally or unconditionally before the date these Articles became effective, subject to the Employees Pre-emptive Rights (if any), grant to the Members pre-emptive rights (the "Members Pre-emptive Rights") to subscribe for new shares of the Company in proportion respectively to their then shareholdings and advise Members, by public announcement in such manner as may be permitted by the Applicable Law and give notice to the Members of their pre-emptive rights. The Company may, if so resolved by the Board, grant to the employees (the "Employees Pre-emptive Rights") of the Company and/or of the Company's Subsidiary(ies) pre-emptive rights to subscribe for 10% to 15% of the total number of shares offered in the abovementioned share offering and the Members Pre-emptive Rights shall be made subject to the Employees Pre-emptive Rights; provided, however, that the Board may impose a lock-up period restricting the transfer of any shares subscribed by the Employees pursuant to this Article 26 for a term of up to two (2) years.
- 25. The Company shall include in its notice to the Members an explanation relating to the share offering and procedures as to how their pre-emptive rights may be exercised, and shall specify the terms and conditions (as determined by the Board in its absolute discretion) in accordance with which the Members may exercise their pre-emptive rights. The Company shall also indicate in the notice that Members' failure to exercise their pre-emptive right in the manner so specified (including failing to exercise pre-emptive rights prior to the deadline) shall be deemed a waiver to such right. Where an exercise of the pre-emptive rights may result in fractional entitlement, the fractional entitlements of two or more Members may be aggregated to jointly subscribe for one or more whole new shares in the name of a single Member, subject to compliance with such discretions and terms and conditions as determined by the Board. Any share not taken up in the share offering may be offered by the Company to the public or for subscription by designated person(s).
- When the Company conducts a share offering other than issuance of shares resulting from or in connection with any merger, consolidation, split-off, amalgamation, asset acquisition, group reorganisation, share swap, share subdivision, exercise of share options, warrants or awards granted to employees, conversion of convertible securities or debt instruments within the ROC in accordance with the ROC Securities Exchange Act and the ROC Regulations Governing the Offering and Issuance of Securities by Foreign Securities Issuer, unless the ROC competent authority deems

the public offering of the new shares unnecessary or inappropriate, ten percent (10%) or any greater percentage as resolved by the Members at a general meeting (if any) of the total number of new shares to be issued shall be made available for public investors by way of public offering within the ROC in accordance with Applicable Law.

GENERAL MEETING

- 27 (a) The Company shall in each year hold a general meeting as its annual general meeting no later than six (6) months after the close of each fiscal year. General meetings other than annual general meetings shall be called extraordinary general meetings.
 - (b) In addition to sub-paragraphs (c) and (d) below and Article 29, general meetings of the Company shall be convened by the Board and may be held at such time and place as may be determined the Board. Such meeting shall be convened in the ROC, and may be convened outside the territory of the ROC only if an application has been submitted to the Designated Stock Market for approval within two (2) days after the date of the Board resolve to convene such meeting, and such approval has been obtained by the Company.
 - (c) One or more Member(s) holding fifty percent (50%) or more of the total number of the outstanding voting shares of the Company continuously for a period of three months or a longer time may convene an extraordinary general meeting of the Company. The calculation of the holding period and number of shares being held shall be determined in accordance with the Register of Members of the Company as of the date and time when the Register of Members of the Company is closed for transfer of shares of the Company before the aforesaid extraordinary general meeting of the Company is held.
 - (d) In the event that the Board do not or is unable to convene a general meeting of shareholders, the supervisor (if any) or the Independent Director of Audit Committee may, for the benefit of the Company, convene a meeting of shareholders when it is deemed necessary.
 - (e) The Board or other authorized conveners of general meeting may require the Company or its agent of stock affairs to provide with the Register of Members.
 - (f) When a general meeting is convened outside the territory of the ROC, the Company shall appoint an agent of stock affairs within the ROC to administer and handle affairs relating to voting by Members at such general meeting.
 - (g) To the maximum extent permitted under the laws of the Cayman Islands and the Statute, the Members may, by Special Resolution, adopt or amend any rules and procedures, including the Procedural Rules of General Meeting of Members governing the general meeting of the Members. In the event of any inconsistency between the main content of these Articles and the Procedural Rules of General Meeting of Members, the Articles shall prevail to the extent required by any Applicable Law.
- 28. One or more Member(s) holding three percent (3%) or more of the total number of the outstanding voting shares of the Company continuously for a period of one (1) year or more, by filing with the Company a written proposal setting forth therein the subjects for discussion, consideration and approval and the reasons thereof, shall be entitled to request the Board to convene an extraordinary general meeting of the Company.

29. If the Board does not within fifteen (15) days after receiving the request duly proceed to call an extraordinary general meeting, the Member(s) making such request may convene an extraordinary general meeting by sending out a notice of general meeting in accordance with Article 30. The Board will not be required to prepare the manual referred to in Article 32 where a general meeting is convened by Member(s) according to this Article 29. Such meeting shall be held within the ROC and may be convened outside the territory of the ROC only if an application has been submitted to the Designated Stock Market for approval and such approval has been obtained. Subject to the aforesaid, a general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by the Directors.

NOTICE OF GENERAL MEETINGS

- 30. At least thirty (30) days' notice of an annual general meeting and fifteen (15) days' notice for an extraordinary meeting (exclusive of the day on which the notice is dispatched, and the day on which the meeting is to be held) shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and, as far as practicable, the other business to be conducted at the meeting.
- 31. (a) Any notice or document, whether or not, to be given or issued under these Articles from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed 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 or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the notice being duly received by the Member or may also be served by advertisement in appropriate newspapers in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company's website or the website of the Designated Stock Exchange. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the register of Members and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.
 - (b) Any notice shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in proving such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, and the time when it was posted, delivered to the courier or to the cable company or transmitted by telex, facsimile, electronic mail, or such other method as the case may be.
 - (c) Notwithstanding anything to the contrary, for as long as the Company's shares are listed on the Designated Stock Market, any requirement with respect to Notice, including the manners and means of which such notice is sent, shall be in

- compliance with the Applicable Law and the rules of the Designated Stock Market.
- (d) The accidental omission to give notice of a general meeting to, or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings of that meeting.
- (e) A notice may be given by the Company to person or persons which the Company has been advised are entitled to a share or shares in consequence of the death or bankruptcy of a Member by sending it through the post as aforesaid in a pre-paid letter addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the persons claiming to be so entitled, or at the option of the Company by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
- (f) Notice of every general meeting shall be given in any manner hereinbefore authorised to:
 - (i) every person shown as a Member in the register of Members as of the record date for such meeting except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the register of Members.
 - (ii) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member of record where the Member of record but for his death or bankruptcy would be entitled to receive notice of the meeting; and
- (g) No other person shall be entitled to receive notices of general meetings.

MANUAL AND PROPOSAL FOR DISCUSSION

- 32. (a) For as long as the Company's shares are listed on the Designated Stock Market, the Board shall prepare a manual setting out the agenda of a general meeting of Members (including all the subjects and matters to be resolved at the meeting), and shall make public announcement(s) by uploading the content of the manual any other supplemental information to an electronic database designated by the Designated Stock Market at least twenty-one (21) days prior to a general annual meeting and at least fifteen (15) days prior to an extraordinary annual meeting. Such manual shall be distributed to the Members attending the general meeting in person, by proxy or by corporate representative(s) (where the Member is a corporation) at the general meeting.
 - (b) For as long as the Company's shares are listed on the Designated Stock Market, the Board shall prepare, and make public announcement(s) the notice of the general meeting, proxy instrument, matters for discussion, and where applicable, information relating to the election or removal of directors, by uploading such information to an electronic database designated by the Designated Stock Market at least thirty (30) days prior to a general annual meeting and at least fifteen (15) days prior to an extraordinary annual meeting. Where the Board has resolved to allow Members to exercise their voting power and cast their votes by a written instrument approved by the Board in accordance with Article 55, the Company shall distribute the above information together with the written instrument approved by the Board to the Members.
- 33. Any Member holding not less than one percent (1%) of the Company's total and outstanding shares may submit a proposal in writing or by way of electronic transmission to the Company for discussion at an annual general meeting. The

Company shall give a public notice in such manner as permitted by Applicable Law deemed appropriate by the Board specifying the place and a period of not less than ten (10) days for Members to submit proposals or the electronic address where any electronic communication is to be sent. Unless (i) the proposal is submitted by such Member(s) who hold(s) less than one percent (1%) of the Company's total and outstanding shares; (ii) the proposal consists of a matter which as determined by the Directors is not a matter which can be resolved or settled at a general meeting of the Members in accordance with or under the Applicable Laws; (iii) the proposal exceeded three hundred words or relates to more than one matter; or (iv) the proposal is submitted after expiration of the specified period determined by the Board, Board shall include the proposal in the list of proposals to be discussed at the meeting of shareholders. If the shareholder proposal is for urging the Company to promote public interests or fulfill its social responsibilities, such proposal may still be included in the list of proposals to be discussed at the meeting of shareholders by the Board notwithstanding that it falls within aforesaid items (i), (ii) (iii) or (iv). Subject to Article 34 and to the extent permitted under the Statue, a Member may, if so approved by the chairman of the relevant general meeting, bring forward any matter(s) during a general meeting for the consideration, discussion or approval by the Members at such general meeting, provided such matter(s) falls within the scope and directly relates to a matter included in the notice of general meeting.

- 34. Subject to these Articles, the following matters may not be considered, discussed or proposed for approval at a general meeting unless they have been included in the notice of general meeting with reasonable amount of explanation, and its essential contents may be posted on the website designated by the competent authority or the Company, and such website shall be indicated in the notice.
 - (a) any election or removal of Directors;
 - (b)any amendment or modification to the Memorandum of Association or these Articles, including any change of the Company name;
 - (c) reduction of capital;
 - (d)application for the approval to cease its status as a public company;
 - (e) any dissolution, voluntary winding-up, merger, consolidation, amalgamation or splitup of the Company:
 - (f) any proposal for the Company to enter into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
 - (g)transfer whole or any substantial part of the Company's business or assets;
 - (h)acquisition of whole of the business or assets of a third-party, which materially affects the operation of the Company;
 - (i) any issuance of equity-linked securities of the Company by way of private placement;
 - (j) to the extent permitted by Applicable Law, any proposal to approve a Director to engage in competitive activities with the Company:
 - (k) upon recommendation of the Board, any proposal to distribute cash and/or stock dividends or distributions out of surplus in whole or in part by way of issuance of new shares of the Company;
 - (I) distribution of amounts, by issuing new shares or by cash, in the legal reserve and the capital reserve derived from share premium or donations received by the Company:
 - (m)transfer of Treasury Shares to the employees of the Company and/or of the Company's Subsidiary(ies) for a consideration that is less than the consideration paid by the Company in accordance with Article 13(f);

- (n)issuance of any shares of the Company with deferred rights or subject to restrictions (whether contractual or otherwise) in accordance with the terms of their issue to the employees of the Company and/or its Subsidiaries; and
- (o)granting of employee stock options with an exercise price per share that is lower than the closing price of shares of the Company traded on the Taiwan Stock Exchange as of the grant date.

PROCEEDINGS AT GENERAL MEETINGS

- 35. (a) Save as herein otherwise provided (in particular, Article 47) and subject to any additional requirements provided for under these Articles, one or more Members holding in the aggregate more than one-half (1/2) of the total issued share capital of the Company present in person or by proxy and entitled to vote shall be a quorum for convening a general meeting. If the Company shall at any time have only one Member, one Member present in person or by proxy shall form a quorum for the transaction of business at any general meeting of the Company held during such time.
 - (b) No business shall be transacted at any general meeting unless a quorum of Members is present at the time that the meeting proceeds to business. If a quorum of Members is not present at the commencement time of a general meeting, the chairman of the general meeting may postpone the commencement time of the general meeting not more than twice provided that the total postponement time shall not exceed one hour from the original commencement time. If after two postponements the number of shares represented by the attending Members has not yet constitute more than one-half (1/2) of the total issued shares, the chairman shall announce the dissolution of the Meeting.
- 36. (a) The Chairman, if any, of the Board of Directors shall preside as chairman at every general meeting of the Company, or if there is no such Chairman, or if he shall not be present, the Directors present shall elect one of their number to be chairman of the meeting.
 - (b) If at any general meeting no Director is willing to act as chairman or if no Director is present, the Members present shall choose one of their number to be chairman of the meeting.
- 37. The Members may resolve to adjourn the meeting within five days in accordance with Article 182 of the ROC Company Act.
- 38. The agenda of the general meeting shall be set by the Board of Directors if it is convened by the Board of Directors. Unless otherwise resolved at the general meeting, a general meeting shall proceed in accordance with the agenda. Unless otherwise resolved at the general meeting, or in exceptional cases, when there are incidents that temporarily prevent the normal progress of the general meeting, the chairman may decide to temporarily suspend the meeting and announce, depending on the situation, the time that the meeting will resume, the chairman cannot announce adjournment of the meeting before all items listed in the agenda are resolved. In case that the chairman adjourns the general meeting in violation of the Procedural Rules of General Meeting of Members, other members of the Board of Directors shall promptly assist the attending Members to elect, by a majority of votes represented by

- attending Members present in the Meeting, another person to serve as the chairman to continue the meeting in accordance with due procedures.
- 39. Resolutions made at a general meeting shall be compiled in the form of minutes. The chairman shall affix his/her signature or seal to the minutes, which shall be issued to Members within twenty (20) days after the end of the meeting. Minutes may be produced and issued to Members in electronic form. For as long as the Company's shares are listed on the Designated Stock Market, the minutes may be issued to Members by means of a public notice in accordance with the Applicable Law.

VOTES OF MEMBERS

- 40. A resolution shall be voted on by way of a poll. Subject to the provisions of the Statute and these Articles, any question proposed for the consideration of the Members at any general meeting shall be decided by way of an Ordinary Resolution, unless such question proposed is required to be decided by a Special Resolution or a resolution of Members with a higher approval threshold pursuant to the provisions of these Articles or the Statute.
- 41. Voting at a general meeting shall be based on the number of shares issued and held by the Members. On a poll, every Member presenting person or by proxy and entitled to vote shall have one vote for each share of which he is the holder.
- 42. In the case of joint holders of record the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.
- 43. A Member of unsound mind, or in respect of whom an order has been made by any court, having jurisdiction in lunacy, may vote by his committee, receiver, curator bonis, or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other persons may vote by proxy.
- 44. No Member shall be entitled to vote at any general meeting unless he is registered as a shareholder of the Company on the record date for such meeting nor other sums presently payable by him in respect of shares in the Company have been paid.
- 45. (a) To the extent required by the Applicable Law, the Member who bears a personal interest that may conflict with and impair the interests of the Company in respect of any matter proposed for consideration and approval at a general meeting shall abstain from voting any of the shares that such Member should otherwise be entitled to vote in person, as a proxy for another Member or corporate representative with respect to the said matter, but all such shares shall be counted in the quorum for the purpose of convening a general meeting pursuant to Article 35(a); provided that such Member shall not be counted as person being entitled to vote for such matter(s); the shares of Members who are required to abstain from voting shall not be counted in the number of votes of Member(s) present in respect of the relevant resolution(s) in respect of which such Member(s) is/are required to abstain from voting. To the extent that the

- Company has knowledge, any votes cast by or on behalf of such Member in contravention of the foregoing shall not be counted by the Company.
- (b) To the extent required by and subject to the Applicable Law, if a Director, immediately prior to a general meeting, has charged, mortgaged or otherwise created or permitted the creation of encumbrance over more than one-half (1/2) of the total number of shares of the Company held by such Director as of the date of his appointment ("Original Shareholding"), such Director shall abstain from voting such number (rounded to the nearest whole number) of shares that exceeds one-half (1/2) of the Original Shareholding, and in respect of such number (rounded to the nearest whole number) of shares that the Director is required to abstain from voting, they shall not be counted in the number of votes of Members present at the meeting but shall be counted in the quorum for the purpose of convening a general meeting pursuant to Article 35(a). To the extent that the Company has knowledge, any votes cast by or on behalf of such Director in contravention of the foregoing shall not be counted by the Company.
- 46. Shares of the Company held by the following persons shall not carry any voting rights and shall not be counted in the total number of outstanding shares of the Company which are entitled to vote for purposes of convening a general meeting pursuant to Article 35(a):
 - (1) Any shares purchased by the Company which are held as Treasury Shares; or
 - (2) Any entity in which the Company is legally or beneficially interested in more than fifty percent (50%) of its issued and voting shares capital or equity capital; or
 - (3) Any entity in which the Company together with the holding company of the Company, or with any subsidiary of the holding company of the Company, are legally or beneficially interested in more than fifty percent (50%) of its issued and voting shares capital or equity capital.
- 47. Subject to any additional and applicable requirements under the Statute and without prejudice to Article 47B, the following matters require approval of the Members by way of a Special Resolution:
 - (1) any proposal of the Company to enter into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contracts;
 - (2) any proposal to transfer or dispose of the whole or any substantial part of the Company's business or assets;
 - (3) any proposal to acquire the whole of the business or assets of a third-party, which will have material effect on the operations of the Company;
 - (4) upon recommendation of the Board, any proposal to distribute dividends or other distributions in whole or in part by way of issuance of new shares of the Company other than any distribution of bonus shares in connection with the Employees' Remunerations and Directors' Remunerations pursuant to Article 111;
 - (5) any merger, consolidation, amalgamation, split-off or a splitting of the Company;
 - (6) any issuance of equity-linked securities of the Company by way of private placement;
 - (7) any proposal for the Company's shares to stop being publicly traded; and
 - (8) granting of employee stock options with an exercise price per share that is lower than the closing price of shares of the Company traded on the Taiwan Stock Exchange as of the grant date.
- 47B. Subject to any additional and applicable requirements under the Applicable Law, if there is (i)(a) any merger, consolidation or amalgamation involving the Company which

results in the ceasation or dissolution of the Company; (b) any transfer of the whole or substantial part of assets or business of the Company; (c) any arrangement, scheme or plan involving an exchange of shares of the Company for shares or equity interests in another entity; (d) any split or spin-off of assets of the Company (any of such event, the "Trigger Event"); and (ii) the resulting, surviving, consolidated or amalgamated entity or acquirer or transferee of shares, assets or business of the Company is not be a listed or OTC company, then any such Trigger Event shall be subject to approval of the Members by way of a resolution passed by such Member(s) holding an absolute majority of at least two-thirds of the total number of issued shares of the Company entitled to vote thereon (irrespective of whether holder(s) of such shares are present or not at the general meeting), as being entitled to do so, voted in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which the quorum is present.

- 48. (a) On a poll votes may be given either personally or by proxy.
 - (b) Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.
 - (c) For so long as the shares of the Company are listed on the Designated Stock Exchange, where a Member is a clearing house, depositary, custodian and/or trustee (or its/their nominee(s) and, in each case, being a corporation, "Third Party Holder"), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of these Articles shall be entitled to exercise the same rights and powers on behalf of the Third Party Holder as if such person was the registered holder of the shares of the Company held by the Third Party Holder in respect of the number and class of shares specified in the relevant authorisation."
 - (d) To the extent permissible under the laws of the Cayman Islands and these Articles, the qualifications, scopes, methods, procedures, and other details for the Member to exercise the voting rights under the preceding paragraph (c) shall be in compliance with the Applicable Law.
- 49. Any corporation which is a Member of record of the Company may in accordance with its Articles or in the absence of such provision by resolution of its Directors or other governing body authorizes such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Member of record of the Company.

- 50. Any Member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote on behalf of him at a general meeting of the Company; provide that a Member, irrespective of how many shares he holds, may only appoint one proxy to represent him and vote on his behalf. A proxy need not be a Member of the Company.
- 51. The instrument appointing a proxy shall be in writing and shall be executed under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation under the hand of an officer or attorney duly authorised in that behalf, which instrument of proxy shall be in a form determined by the Board and provided to the Members in accordance with Article 52, and shall include such information considered necessary by the Company, including instruction to Member for completion of the proxy, proxy voting instruction and basic information of the Member appointing the proxy and of the proxy appointed.
- 52. The Board may send out the form of instrument for appointing a proxy either by post or electronic transmission in or by way of note to or in any document accompanying the notice convening the meeting on the same delivery date with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument appointing a proxy shall be delivered to the Registered Office of the Company or at such other place as is specified in the notice for that purpose not less than five (5) days before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default, save with respect to the deemed appointment of the chairman as proxy under Article 55, the instrument of proxy shall not be treated as valid PROVIDED that the chairman of the meeting may in his discretion accept an instrument of proxy sent by telex or telefax upon receipt of telex or telefax confirmation that the signed original thereof has been sent.
- 53. Where multiple instruments of proxy are received by the Company from the same Member, the first written duly executed and valid instrument of proxy received by the Company shall prevail, unless an explicit written statement revoking the previous instrument(s) appointing a proxy is made in the subsequent duly executed and valid instrument of proxy received by the Company. The Board shall have the final discretion to determine which instrument of proxy shall be accepted where there is any dispute. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy is given, or the notice of casting vote by way of written notice or electronic commissions pursuant to Article 55; provided that the Company has not been notified in writing of such death, insanity or revocation as aforesaid at its Registered Office or at an address specified in the proxy form, or by written notice from the Member revoking the proxy and expressing his intent to attend the meeting in person or to vote by way of written notice or electronic commissions pursuant to Article 55 at least two (2) days before the date of the general meeting, or adjourned meeting, at which the proxy proposes to vote. .
- 54. Unless otherwise provided in these Articles, the instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates

- 55. To the extent permitted by Applicable Law and notwithstanding any provisions provided in these Articles, the Board may resolve to allow Members not attending and voting at a general meeting in person, by proxy or by corporate representatives (where a Member is a corporation), to exercise their voting power and cast their votes by a written instrument approved by the Board or by way of electronic transmission (as provided under the ROC Electronic Signatures Act) two (2) days prior to commencement of the general meeting; if the regulations in relation to the mandatory electronic voting issued by the Commission applies to the Company, the Company must adopt electronic voting as one of the voting methods in the general meeting, provided that the relevant methods and procedures are specified in the notice of that meeting and complied with by such Member(s). However, if a general meeting is convened outside the territory of the ROC, to the extent permitted by Applicable Law, the Company must allow the Members to exercise their voting rights and cast their votes by way of a written instrument approved by the Board or by way of electronic transmission in the manner referred to in the foregoing. For the avoidance of doubt, those Members who have voted in the manner mentioned in the foregoing shall, for purposes of these Articles and the Statute, be deemed to have appointed the chairman of the general meeting as their proxy to vote their shares at the general meeting in the manner directed by the written instrument or electronic document. The chairman as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electronic document and/or any amendment to resolution(s) proposed at the general meeting, and the Members shall be deemed to have waived their voting rights with respect to any extemporary matters or amendment to resolution(s) proposed at the general meeting.
- (a) Where a Member has exercised the voting power and has cast its votes by written instrument or by way of electronics transmission intends to attend the meeting physically in person, such Member shall send a separate written declaration of intention to rescind and revoke the votes casted by way of written instrument or electronic transmission to the Company, whichever was previously exercised by the Member, two (2) days prior to the date of the general meeting failing which, the Member shall be deemed to have waived his right to attend and vote at the relevant general meeting in person, the deemed appointment by the Member of the chairman as proxy shall remain valid and the Company shall not count any votes cast by such Member physically at the relevant general meeting.
 - (b) Where multiple written instrument or electronic transmission for the same meeting are received by the Company from the same Member, the first written duly executed and valid written instrument or electronic transmission received by the Company shall prevail, unless an explicit written statement revoking the previous instrument(s) or transmission is made in the subsequent duly executed and valid instrument or transmission received by the Company. The Board shall have the final discretion to determine which written instrument or electronic transmission shall be accepted where there is any dispute.
- 57. A Member who is deemed to have appointed the chairman as proxy pursuant to Article 55 for purposes of casting his vote by written instrument approved by the Board or by way of electronic transmission shall have the right to appoint another person as its proxy to attend the meeting, in which case the express appointment of another proxy shall be deemed to have revoked the deemed appointment of the chairman as proxy

- under Article 55 and the Company shall only count the vote(s) casted by such expressly appointed proxy at the meeting.
- 58. Except for an ROC trust enterprise or stock agency approved by the ROC competent authority, save with respect to the chairman being deemed appointed as proxy under Article 55, when a person acts as the proxy for two or more Members, the total number of voting shares that the proxy may vote shall not exceed three percent (3%) of the total number of voting shares of the Company; otherwise, such number of voting shares in excess of the aforesaid threshold shall not be counted towards the number of votes cast for or against the relevant resolution or the number of voting shares entitled to vote on such resolution but such shares shall be included in the quorum. Upon such exclusion, the number of voting shares being excluded and attributed to each Member represented by the same proxy shall be determined on a pro-rata basis based on the total number of voting shares being excluded and for which the number of voting shares that such Members have appointed the proxy to vote.
- 59. To the extent permissible under Applicable Law and subject to compliance with these Articles and the Statute, when a proxy is used by a member in a general meeting, the relevant provisions under the "ROC Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" shall also apply.

ANNULMENT OF RESOLUTIONS

60. To the extent permitted by Applicable Law, where the procedures for convening a general meeting or the proceedings of the general meeting contravene any applicable laws, regulations, ordinances, Applicable Law or these Articles, any Member may submit a petition within thirty (30) days from the date of such general meeting to a competent court having proper jurisdiction, including, the ROC Taipei District Court, if applicable, for annulment of such resolution.

APPRAISAL RIGHT OF DISSENTING MEMBERS

- 61. Subject to compliance with Applicable Law, a Member who has expressed his dissent, in writing or verbally with a record, before or during a general meeting, with respect to any resolution proposed at a general meeting in relation to the following matter(s), may abstain from exercising his voting rights in respect of such resolution(s) and request the Company to acquire or purchase his share(s) at the then prevailing fair price:
 - (a) splitting part of the business or assets of the Company by way of disposal or otherwise:
 - (b) a merger of the Company;
 - (c) the Company proposes to enter into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
 - (d) transfer whole or any substantial part of the Company's business or assets; and
 - (e) acquisition of whole of the business or assets of a third-party, which materially affects the operation of the Company.
- 62. Subject to the above, the Member shall give written notice to request the Company to acquire or purchase his shares no later than twenty (20) days after the passing of a

conditional or unconditional resolution approving any of the above matter(s) at the relevant general meeting, and shall state in such request the class and number of shares that such Member requests the Company to repurchase.

- 63. If agreement on the price of the shares can be reached between the Member and the Company, the Company shall, subject to compliance with these Articles and the Statute, repurchase and pay for the shares within ninety (90) days from the date on which the conditional or unconditional resolution was passed. If no agreement is reached within sixty (60) days of the date on which the resolution was passed, the Member may, within thirty (30) days from the date on which the sixty day (60) period expires, apply to a competent court for a ruling on the price. Subject to the ruling of the competent court, the Company shall pay judgment interest on the price as determined by the court from the date of expiration of the period referred to above.
- 64. The payment of repurchase price to the Members shall be made at the same time against the delivery of the relevant share certificate(s) and an instrument(s) of transfer (where the shares are in certificated form) in respect of the shares subject to such instrument(s) of transfer (where the shares are in certificated form) for the repurchase being duly executed by such Member to the Company, and the date of transfer of such shares shall be the date on which payment is made by the Company to the Member and the Register of Members of the Company shall be updated accordingly.
- 65. The request of a Member pursuant to Article 62 above shall become ineffective if the Company announces before completion of the purchase under Article 63 that the Company will not proceed with the matters that such Member dissented to under Article 61 or where the Company is prohibited under Applicable Law to repurchase the relevant shares. Where a Member fails to make a request within the period prescribed in Articles 62 and 63 above, such Member is deemed to have duly waived his rights under Article 61.

DIRECTORS

66.

- (a) The Board shall consist of no less than five (5) directors. At least three (3) of the directors shall be Independent Directors pursuant to Article 70, and the total number of Independent Directors shall not be less than one-fifth (1/5) of the total number of Directors. When a Member is a corporate entity, it may be elected as a corporate Director provided that it shall designate at least one natural person as its authorized representative to act for and on its behalf as a Director. The authorized representative of a corporate Member may also be elected as a Director in its own individual capacity. If a corporate Member designates more than one representatives, all of the representatives are eligible to be elected as Directors in their own individual capacity.
- (b) The term of office for a Director shall not exceed three (3) years and the Director whose term has expired may be eligible for re-election. If the term of office of all Directors expires at the same time and no general meeting was held before such expiry for their re-election, their term of office shall be extended to the time when the new Directors elected or re-elected in the next general meeting assume their office.

- (c) Where there is a re-election of all Directors at a general meeting prior to the expiry of the term of office of the existing Directors, if no resolution has been passed by the Members to approve that the existing Directors who are not re-elected at such general meeting shall remain in office until expiry of their original term of office or such other date as approved by the Members at the general meeting, such nonre-elected Directors shall vacate their office with effect from closing of such general meeting.
- (d) In addition to such applicable requirements and to the extent permissible under the Statute, each Director shall comply with the applicable requirements under the Applicable Law relating to qualification and obligations of directors of a company whose shares are listed on the Designated Stock Market.
- 67. The Board shall be elected or appointed by Members upon a poll vote by way of cumulative voting (the manner of voting described in this Article to be referred to as "Cumulative Voting") in the following manner:
 - (i) on an election of directors, the numbers of votes attached to each voting share held by a Member shall be cumulative and be voted for the directors nominated for appointment at the general meeting provided that such votes shall only cumulate in respect of such number of directors nominated within the same category (namely, independent or non-independent) of directors to be appointed;
 - (ii) the Member(s) may vote all or part of their cumulated votes in respect of one or more directors within the same category of directors to be elected;
 - (iii) such number of directors receiving the highest number of votes in the same category of directors to be elected shall be appointed; and
 - (iv) where two or more directors nominated for appointment receive the same number of votes which exceeds the number of new directors intended to be appointed, there shall be a draw by such directors receiving the same number of votes to determine who shall be appointed; the chairman shall draw for a director nominated for appointment who is not present at the general meeting.
- 68. A spousal relationship and/or a Family Relationship within the Second Degree of Kinship shall not exist among more than half (1/2) of the members of the Board (the "Threshold"), unless with the prior approval by the Designated Stock Market. Where the appointment of any person having a spousal relationship and/or a Family Relationship within the Second Degree of Kinship with any existing member of the Board or with any other person(s) also nominated for appointment as a director (the "Related Person") is proposed at a general meeting, only the following persons may be appointed as a Director:
 - (i) firstly, such person(s) approved by the Members by way of Cumulative Voting and who is not a Related Person; and
 - (ii) secondly, such number of Related Person(s) elected by the Members by way of Cumulative Voting and who receive the highest number of votes from the Members for its appointment among all the Related Persons and the appointment of whom would not result in contravention of the Threshold. If the existing composition of the Board fails to satisfy the Threshold, such Director in office being a Related Person shall immediately cease to be a Director of the Company.
- 68B. For as long as the Company's shares are listed on the Designated Stock Market, subject to the Applicable Law, any Director (not including Independent Director) or supervisor (if any), who, during his or her term of office and in one or more

transactions, deals with Shares so held by him/her and results in such Director (not including Independent Director) or supervisor (as the case may be) ceases to hold more than fifty percent (50%) of the total Shares then held by such Director (not including Independent Director) or supervisor (as the case may be) at the time of his or her appointment or election as Director (not including Independent Director) or supervisor (as the case may be) at a general meeting (the "Approval Time"), such Director (not including Independent Director) or supervisor (as the case may be) shall immediately resign or otherwise be removed or vacated from his/her office.

For as long as the Company's shares are listed on the Designated Stock Market, subject to the Applicable Law, if any person deals with Shares so held by him/her in or more transactions and results in such person ceases to hold more than fifty percent (50%) of the Shares held by him or her at the Approval Time either (i) during the period from the Approval Time to the commencement date of his or her office as Director (not including Independent Director) or supervisor (if any), or (ii) during the period when the Register is closed for transfer of Shares prior to the general meeting at which the appointment or election of such person as a Director (not including Independent Director) or supervisor (if any) will be proposed, his or her appointment or election as Director or supervisor (if any) shall not take effect.

- 69. When the number of Directors falls below five (5) due to the dismissal of a Director or any Director ceases to be a Director of the Company for any reason, including but not limited to vacancy in the office of such Director(s) under Article 105, the Company shall hold an election to elect new director(s) at the next following general meeting by way of Cumulative Voting. When the number of Directors falls short by one-third (1/3) of the number prescribed by these Articles, an extraordinary general meeting shall be convened within sixty (60) days of the occurrence of the fact to hold a by-election of directors.
- 70. The Company shall have at least one Independent Director shall be domiciled in the ROC, and shall adopt the candidate nomination mechanism as provided by Article 192-1 of the ROC Company Law for the election of the Independent Directors..
- 71. When the number of Independent Directors falls below three (3) due to the dismissal of an Independent Director or the Independent Director ceases to be a Director for any reason, the vacancy of such Independent Director shall be filled and elected at the next following general meeting. When all of the Independent Directors have been dismissed or cease to be Directors, an extraordinary general meeting shall be convened within sixty (60) days of the occurrence of that fact to elect for independent directors.
- 72. The Independent Directors shall possess the requisite professional knowledge and shall maintain independence within the scope of their directorial duties. The Independent Directors may not have any direct or indirect interest in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions held, and assessment of independence shall be subject to the relevant rules of the Applicable Law.
- 73. The Directors may by resolution award special remuneration to any Director of the Company undertaking any special work or services for, or undertaking any special mission on behalf of, the Company other than his ordinary routine work as Director. Any fees paid to a Director who is also counsel or solicitor to the Company, or otherwise

serves it in a professional capacity shall be in addition to his remuneration as a Director.

- 74. A Director may hold any other office or place of profit under the Company in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.
- 75. A Director may act by himself or his firm in professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- 76. A shareholding qualification for Directors may be fixed by the Company in general meeting but unless and until so fixed no shareholding qualification shall be required.
- 77. A Director of the Company may be or become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested as shareholder or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company.
- 78. No person shall be disqualified from the office of Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director shall be in any way interested be or be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or transaction by reason of such Director holding office or of the fiduciary relation thereby established; provided, however, to the extent required by Applicable Laws, a Director may not vote in respect to any matter, including any contract or proposed contract or arrangement or contemplated transaction of the Company, whether on behalf of himself or as a proxy for another Director, in which such Director bears a personal interest which may conflict with and impair the interest of the Company, but the director may express his or her opinion and respond to inquiries. After the interested director has responded to inquiries raised and/or expressed his or her opinions or views and as soon as the board of directors proceed to discuss their views and vote on the relevant matter, the interested director shall excuse him or herself from such discussion and voting, but the Director shall be counted in the quorum for purposes of convening such meeting. Paragraph 2, Article 206 of the ROC Company Act, under which the provisions under Paragraph 2. Article 180 of the same law may apply mutatis mutandis shall apply to directors who may not exercise their voting rights in the process of resolving a proposal at the Company's board meeting to the maximum extent that does not contravene the laws of the Cayman Islands. A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by law to the Board and the Audit Committee.
- 78B. Where the spouse, a blood-related relative within the second degree of kinship of a Director, or any company which has a controlling or subordinate relation with a Director has interests in the matters under discussion in the meeting of the preceding paragraph, such Director shall be deemed to have a personal interest in the matter.
- 79. The ordinary remuneration of the Directors shall from time to time be determined by

the Board, taking into consideration market standards as well as the standards of other companies listed on the Designated Stock Market.

POWERS AND DUTIES OF DIRECTORS

- 80. The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, from time to time by the Statute, or by these Articles, or such regulations, being not inconsistent with the aforesaid, as may be prescribed by the Company in general meeting required to be exercised by the Company in general meeting PROVIDED HOWEVER that no regulations made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
- 81. The Directors may from time to time and at any time by powers of attorney appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorneys as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.
- 82. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall from time to time by resolution determine.
- 83. The Directors shall cause minutes to be made in books provided for the purpose:
 - (a) of all appointments of officers made by the Directors;
 - (b) of the names of the Directors (including those represented thereat by proxy) present at each meeting of the Directors and of any committee of the Directors;
 - (c) of all resolutions and proceedings at all meetings of the Company and of the Directors and of committees of Directors.
- 84. Subject to the requirements of these Articles, the Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.
- 85. Subject to these Articles, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
- 86. Subject to the Applicable Law, the Board shall, within fifteen (15) calendar days after receipt of a copy of the notice by the Company or the Company's Litigious or Non-Litigious Agent of a public tender offer and relevant information to purchase shares of

the Company, resolve to recommend the Members to either accept or object the tender offer purchase, and shall disclose the following by way of public announcement in any manner permitted under Applicable Law:

- (1) the type and number of shares currently held by the Directors, any Members, directly or indirectly on behalf of another, with more than ten percent (10%) of the Company's outstanding shares;
- (2) the recommendation made by the Board based on its investigation into the identify and financial position of the tender offeror, fairness of the tender offer conditions, and validity of funding sources to the Members on such tender offer purchase, where in the opinions and reasons of every consenting and objecting Director(s) shall be indicated;
- (3) whether there were major changes to the Company's financial conditions after the delivery of its most recent financial statements, and the contents of such changes; and
- (4) the type, number and amount of shares of the offeror or its affiliates held, directly or indirectly on behalf of another, by the Directors or any Member holding over ten percent (10%) of the Company's outstanding shares.
- 87. In addition to the above, the Board shall keep copies of these Articles, the minutes of prior general meetings, financial statements, Register of Members as well as summary of the bonds and notes issued by the Company at the Company's agent for stock affairs located within the ROC for inspection or duplication by the Members from time to time by showing evidence of such Members' interest involved in the Company and specifying the scope of inspection, transcription or right to take copies. The Company shall procure its agent for stock affairs to provide with the access.

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- (a) A Director engaging in any activity, or entering into any contract or transaction, which may be in competition with the business of the Company or which falls within the business scope of the Company, shall disclose in a general meeting the nature, extent and major terms of such activity, contract or transaction, and shall proceed with such activity, contract or transaction only upon approval of the Members at a general meeting by a Special Resolution.
- (b) Without prejudice and subject to the general directors' duties that a Director owe to the Company and its shareholders under common law principals and the laws of the Cayman Islands, a Director shall perform his/her fiduciary duties of loyalty and care, and shall indemnify the Company, to the maximum extent legally permissible, from any loss incurred or suffered by the Company arising from breach of his/her fiduciary duties. If Director has made any earnings for the benefit of himself/herself or any third party due as a result of breach of his/her 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 earnings from such relevant Director..
- (c) If a Director has, in the course of conducting the Company's business, violated any applicable laws or regulations which causes the Company to become liable for any compensation or damages to any third person, such Director shall become jointly and severally liable for such compensation or damages with the Company and to the extent that for 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 for any compensation and/or damages that the Company became liable.

MANAGEMENT

- 89. (a) The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.
 - (b) Subject to these Articles, the Directors from time to time and at any time may establish any committees or agencies for managing any of the affairs of the Company and may appoint any persons to be members of such committees or any managers or agents and may fix their remuneration.
 - (c) The Directors from time to time and at any time may delegate to any such committee, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such committee, manager or agent, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
 - (d) Any such delegates as aforesaid may be authorised by the Directors to subdelegate all or any of the powers, authorities, and discretions for the time beings vested in them.
 - (e) A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present except as otherwise required by these Articles.
 - (f) The Company shall establish a Compensation Committee to assist the Board in discharging its responsibilities related to the compensation and benefit policies, plans and programs of the Company, and the evaluation and remunerations, stock options or other substantive awards given to the Company's Directors and officers. For as long as the shares of the Company are listed on the Designated Stock Exchange, the professional qualification, scope of authority and other requirements of the members of the Compensation Committee shall be subject to the Applicable Law.
 - (g) Members of any committee appointed by the Board may participate in a meeting of such committee by means of video conference and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

MANAGING DIRECTORS

- 90. The Directors may, from time to time, appoint one or more of their body to the office of Managing Director for such term and at such remuneration (whether by way of salary, or commission, or participation in profits, or partly in one way and partly in another) as they may think fit but his appointment shall be subject to determination ipso facto if he ceases from any cause to be a Director.
- 91. The Directors may entrust to and confer upon a Managing Director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.

PROCEEDINGS OF DIRECTORS

- 92. (a) Except as otherwise provided by these Articles, the Directors shall meet together for the dispatch of business, convening, adjourning and otherwise regulating their meetings as they think fit.
 - (b) The quorum necessary for the transaction of the business of the Directors at a meeting of the Board shall be a majority of the number of members of the Board. For the purpose of this Article, a proxy appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present
- 93. (a) The Company's board meetings shall be convened at least once every quarter. Meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors; provided, however, that the first meeting of the Board of Directors following an election of Directors shall be convened by the Director who received a ballot representing the highest number of votes at the election of Directors and shall act as chairperson of the meeting. In case there are two directors having the power to convene such meeting, In case there is more than one director having the power to convene such meeting, such directors shall agree among themselves who shall act as the chairperson of the meeting.
 - (b) In case the Chairman of the Board is unable to exercise his or her duties during his or her absence or for cause, the vice Chairman shall act as in his stead. In the absence of a vice Chairman or if the vice Chairman is unable to exercise his or her duties during his or her absence or for cause, the Chairman shall appoint a managing director to act in his stead. If the Company has no managing directors, a director shall be appointed in his stead. In the absence of such appointment, the chairperson of the meeting shall be elected from among the managing directors or directors by themselves.
- 94. The Chairman shall, at any time summon a meeting of the Board by giving at least seven (7) days notice in writing to every Director setting forth the general nature of the business to be considered, and such notice may be sent in electronic form upon the Director's consent. Notwithstanding the aforesaid, in the event of a matter considered to be urgent by the Chairman of the Board of Directors, a meeting of the Board may be convened on short notice if the quorum required under Article 92(b) is present.
- 95. A Director may appoint another Director to act as his proxy to attend and vote on his behalf at meetings of the Directors or any committee of Directors. When a director appoints another director as proxy to attend a board meeting, he or she shall, in each time, issue a written proxy. The proxy form shall state therein the scope of authority of such proxy with reference to the subject matters to discussed as listed in the board meeting notice. Such appointment must be made in writing for each meeting under the hand of the appointer, and may at any time be revoked in like manner, and may be general (i.e. a blanket authority for the particular meeting) or for specified resolutions, and may authorise and direct the appointee to be chairman if the appointer would, if present, be entitled to preside. The form of appointment of proxy may contain directions to the proxy to vote in accordance with instructions given by that Director or, in the absence of such instructions, the proxy may act in his discretion. Notice of every such appointment or revocation must be presented to the meeting of

Directors at which the proxy is to be used or first used prior to the commencement of such meeting. A proxy may be given by telex, telefax or in electronic mail. A proxy shall ipso facto cease to be a proxy for a Director if his appointer ceases for any reason to be a Director; however, such proxy or any other Director may be reappointed by the Directors to serve as a proxy. A director may act as a proxy for only one other director.

- 96. Directors may participate in any meeting of the Board by video conference and participation in such a meeting shall constitute presence in person at such meeting, but shall fax in attendance sheet in lieu of signing it in person.
- 97. A meeting shall be called to order by the chairperson of the board meeting when the scheduled meeting time has arrived and the quorum is present. If the quorum is not present at the schedule commencement time of the meeting, the chairperson of the meeting may announce to postpone the meeting with the postponement not more than twice. If a quorum is not constituted after the second postponement, the chairperson shall convene a new meeting.
- 98. All acts done by any meeting of the Directors or of a committee of Directors (including any person acting as a proxy) shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or proxy Director, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and qualified to be a Director or proxy Director as the case may be.
- 99. The following matters shall be brought to the Company's board meeting for discussion and if thought fit, approval. Except in an unexpected emergency or for good reason, the matters described below shall be set out in the notice of meeting, and may not be raised by an extempore motion.
 - (a) The Company's business plan;
 - (b) Annual financial report and semi-annual financial report;
 - (c) Internal control system established or amended in accordance with the provisions under Article 14-1 of the ROC Securities and Exchange Act (hereinafter as the "ROC SEA");
 - (d) Procedure for handling important financial and business activities such as the acquisi-tion or disposition of assets, derivative products transactions, lending of capital, en-dorsement for third party, provision of guarantee, established or amended in accor-dance with the provisions under Article 36-1 of the ROC SEA;
 - (e) Offering, issue or private placement of securities of the nature of equity;
 - (f) Appointment and/or dismissal of a financial, accounting or internal audit officers; and
 - (g) Matters to be resolved at general meeting or by the board meeting under Article 14-3 of the ROC SEA, other laws and regulations or the Articles of Association, or other important matters required by the competent authority.

For matters to be resolved at general meeting or by the board meeting under Article 14-3 of the ROC SEA, independent directors shall attend a meeting in person or appoint another independent director to attend the meeting on his or her behalf and may not appoint a proxy who is not an independent director as his or her proxy. Any objection or reservation that an independent director may have shall be specified in the minutes of proceedings of the board meeting. If an independent director wishing to express his or her objection or reservation is unable to attend the board meeting in

person, he or she shall provide a written statement providing his view and opinions on the relevant matters for consideration at the board meeting and his statement shall be included in the minutes of the board meeting, unless his/her absence is for good cause.

100. The Company's board meeting shall be conducted in accordance with the procedure of the meeting as scheduled and may be subject to change upon consent of a majority of the directors present at the meeting.

The chairperson of the meeting may not declare adjournment without the consent of a majority of the directors present at the meeting.

During the board meeting, if the directors present in the meeting are fewer than the required quorum], upon motion filed by the director present in the meeting, the chairperson shall declare suspension of the meeting and the provisions under Article 97 may apply *mutatis mutandis*.

101. When the directors are deliberating in respect of a resolution to be adopted in a meeting of the Board, the resolution shall be deemed approved and voted on by the Board if all directors present at the meeting consented to the passing of such resolution without raising any objection when the chairperson put forward the relevant resolutions for approval. If, upon the chairperson propose the relevant resolution for approval, a director states his dissent, the resolution shall be voted on in the manner set out below. The said "all directors present at the meeting" do not include directors who may not exercise their voting rights in accordance with the Article 78.

Formal votes shall be cast for the proposal in the agenda of the Company's board meeting.

Formal votes may be cast in one of the following manners as determined by the chairperson; provided, however, that when a person present at the meeting files an objection, the decision shall be made according to majority votes:

- (a) Vote by show of hands or by voting system;
- (b) Roll-call vote;
- (c) Vote by ballots; or
- (d) Any other voting method as determined by the Board.
- 102. Unless a higher approval threshold is required under the ROC SEA and the ROC Company Act, a proposal to be resolved at the Company's board meeting shall be approved by consent of a majority of the directors present at the meeting attended by a majority of all directors.

In case of an amendment or substitute to a proposal and to the extent that is permissible under applicable laws, the chairperson shall decide on the order of vote by combining the amendment or substitute with the same proposal. However, if one of the proposals has been approved, the others shall be deemed overruled and no further vote is required.

If certain persons shall be designated to scrutinize balloting and count ballots for voting on proposals, these persons shall be appointed by the chairperson. The persons responsible for scrutinizing balloting shall be directors.

Results of the votes shall be announced on the spot and recorded.

103. Minutes of a meeting of the Board shall be signed or sealed by the chairperson and secretary of the meeting and copies thereof shall be distributed to all directors within twenty (20) days of the meeting. The minutes shall be deemed as important files of the Company and be properly kept during existence of the Company. Minutes may be

produced and issued to the Directors in electronic form.

104. To the maximum extent permitted under the laws of the Cayman Islands and the Statute, the Members may, by Special Resolution, adopt or amend any rules and procedures, including the Procedural Rules for the Board of Directors, governing the meeting of the Board; In the event of any inconsistency between the main content of these Articles and the Procedural Rules for the Board of Directors, the Articles shall prevail to the extent required by any Applicable Laws.

VACATION OF OFFICE OF DIRECTOR

- 105. The office of a Director shall be vacated:
 - (1) is removed from office pursuant to these Articles (including ceasing to be a director automatically for being in breach of Article 107);
 - (2) dies or becomes bankrupt, or makes any arrangement or composition with his creditors generally;
 - (3) is or becomes of unsound mind or an order for his detention is made under applicable laws of the Cayman Islands relating to mental health or any analogous law of a jurisdiction outside the Cayman Islands, or dies;
 - (4) resigns his office by notice in writing to the Company; or
 - (5) is the subject of a court order for his removal in accordance with Article 108.

REMOVAL OF DIRECTORS

- 106. Notwithstanding any provision in these Articles to the contrary or any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement), a Director may be removed by way of a Special Resolution of the Members at any time before the expiration of his period of office.
- 107. Any person who falls within any of the following categories shall not be appointed a Director of the Company. If for any reason he becomes a Director, he shall cease to be a Director of the Company forthwith upon the Company having actual notice that a breach of this Article 107 has been made, without any further action required on the part of the Company or such Director in question:
 - (1) any person having committed an offense as specified in the ROC Statute of Prevention of Organization Crimes and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or five (5) years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon; or
 - (2) any person having committed an offense involving fraud, breach of trust or misappropriation and subsequently convicted with imprisonment for a term of more than one (1) year, and has not started serving the sentence, has not completed serving the sentence, or two (2) years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon; or
 - (3) any person having committed the offense as specified in the Anti-corruption Act and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or two (2) years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon; or

- (4) any person having been adjudicated bankrupt or adjudicated of the commencement of liquidation process by a court, and has not been reinstated to his rights and privileges; or
- (5) any person having been dishonoured for unlawful use of credit instruments, and the term of such sanction has not yet expired; or
- (6) any person having no or only limited capacity; or
- (7) any person having been adjudicated of the commencement of assistantship (as defined in Taiwan Civil Code) and such assistantship having not been revoked yet.
- 108. In case a Director has, in the course of performing his duties, committed any act resulting in material damage to the Company or in material violation of applicable laws and/or regulations and/or these Articles, but not removed by the Members in the general meeting, Member(s) holding not less than three percent (3%) of the total number of outstanding shares of the Company may, within thirty (30) days after such meeting, institute a lawsuit in the court for a judgment to remove such Director. Such lawsuit may be submitted to a competent court having jurisdiction, including the Taipei District Court as the court of first instance.

SEAL

- 109. (a) The Company may, if the Directors so determine, have a Seal which shall, subject to paragraph (c) hereof, only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf and every instrument to which the Seal has been affixed shall be signed by one person who shall be either a Director or the Secretary or Secretary-Treasurer or some person appointed by the Directors for the purpose.
 - (b) The company may have for use in any place or places outside the Cayman Islands a duplicate Seal or Seals each of which shall be a facsimile of the Common Seal of the Company and, if the Directors so determine, with the addition on its face of the name of every place where it is to be used.
 - (c) A Director, Secretary or other officer or representative or attorney may without further authority of the Directors affix the Seal of the Company over his signature alone to any document of the Company required to be authenticated by him under Seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.

OFFICERS

110.

- (a) The Company may have an officer appointed by the Directors who may also from time to time appoint such other officers as they consider necessary, all for such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors from time to time prescribe. An officer shall exercise his/her duties in accordance with any resolution adopted by the general meeting of the Members or the Board, and any instructions from the Chairman from time to time.
- (b) An officer shall, in the course of conducting the Company's business, bear the same indemnification liabilities as a Director which are prescribed under these

Articles and the Applicable Law, including, but not limited to the liabilities provided under sub-paragraphs (b) and (c) of Article 88, if such officer breaches his/her duties and the Company became liable for any third party compensation or damages.

DIVIDENDS, DISTRIBUTIONS, RESERVE AND POWER TO SET ASIDE PROFIT

111.

- (a) Unless otherwise provided in the Applicable Law, where the Company makes profits before tax for the last annual financial year, the Company shall allocate (1) no less than one percent (1%) of such annual profits before tax for the purpose of employees' remunerations (including employees of the Company and/or any Affiliated Company) (the "Employees' Remunerations"); and (2) no more than three percent (3%) of such annual profits before tax for the purpose of Directors' remunerations (the "Directors' Remunerations"). Notwithstanding the foregoing paragraph, if the Company has accumulated losses carried forward from the previous years as of the last annual financial year, the Company shall set aside from the profits before tax for the last annual financial year an amount equivalent to the amount of such accumulated losses prior to the allocation of Employees' Remunerations and Directors' Remunerations.
- (b) The Employees' Remunerations may be distributed in the form of cash and/or bonus shares; the Directors' Remunerations may be distributed in the form of cash only.
- (c) Subject to Cayman Islands law and the Applicable Law, the Employees' Remunerations and the Directors' Remunerations may be distributed upon resolution by a majority votes at a meeting of the Board of Directors attended by two-thirds (2/3) or more of the Directors, and shall be reported to the Shareholders at the general meeting after such Board resolutions are passed.
- (d) Unless otherwise provided in the Applicable Law and subject to Article 47, the net profits (after allocations of profits before tax in accordance with Article 111(a)) of the Company for each annual financial year shall be allocated in the following order and proposed by the Board of Directors to the Shareholders in the general meeting for approval by way of on ordinary resolution:
 - i. to make provision of the applicable amount of income tax pursuant to applicable tax laws and regulations;
 - ii. to set off accumulated losses of previous years (if any);
 - iii. to set aside ten percent (10%) as legal reserve pursuant to the Applicable Law for so long as the accumulated amount of such legal reserve does not exceed the total paid-up share capital of the Company;
 - iv. to set aside an amount as Special Reserve pursuant to the Applicable Law and requirements of the Commission; and
 - v. with respect to the earnings available for distribution (i.e. the net profit after the deduction of the items (a) to (d) above plus any previously undistributed cumulative Retained Earnings), the Board of Directors may present a proposal to distribute to the Shareholders by way of dividends at the annual general meeting for approval by an ordinary resolution pursuant to the Applicable Law.
- (e) The Company's dividends policy is that the Company shall refer to current and future industrial prosperity and consider fund demand and financial structure of the Company. The allocation of dividends annually shall be no less than 30% of

distributable earning, and may allocate dividends to the Shareholders in the form of cash dividends and/or bonus shares; provided that Cash dividends shall comprise a minimum of ten percent (10%) of the allocated dividends.

- 112. Where the Directors determine that a dividend shall be paid wholly or partly by the distribution of specific assets, the Directors may settle all questions concerning such distribution. Without limiting the generality of the foregoing, the Directors may fix the value of such specific assets and vest any such specific assets in trustees on such terms as the Directors think fit.
- 113. Dividends may be declared and paid out of profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed, or not in the same amount. Subject to the requirement of these Articles, dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Statute.
- 114. Subject to the requirement of these Articles, the Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company.
- 115. (a) No unpaid dividend or distribution shall bear interest against the Company.
 - (b) The Board shall establish an account to be called the share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company. Unless otherwise provided by the provisions of these Articles, the Board may apply the share premium account in any manner permitted by the Statute. The Company shall at all times comply with the provisions of the Statute in relation to the share premium account.

CAPITALISATION

- 116. (a) The Company may, with the approval by way of Special Resolution of the Members, capitalise any sum for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.
 - (b) The Company may, with the approval by way of Special Resolution of the Members, resolve to capitalise any sum for the time being standing to the credit of a reserve account or sums otherwise available for dividend or distribution by applying such amounts in paying up in full, partly paid, or nil paid shares of those Members who would have been entitled to such sums if they were distributed by way of dividend or distribution.
 - (c) Notwithstanding Articles 116(a) and 116(b) above, the Board may, without the approval of the Members, capitalise any sum for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares of the Company to be allotted as fully paid bonus shares for the purpose of the Employees' Remunerations

BOOKS OF ACCOUNT

- 117. The Directors shall cause proper books of account to be kept with respect to:
 - (a) all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place;
 - (b) all sales and purchases of goods by the Company;
 - (c) the assets and liabilities of the Company.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

- 118. At the close of each fiscal year, the Board shall prepare the business report, financial statements and the surplus earning distribution or loss offsetting proposals for adoption by the annual general meeting and shall submit such report, statements and proposals for verification by the Audit Committee prior to the date of the annual general meeting. The Board shall, upon adoption by the annual general meeting, distribute to each Member copies of adopted financial statements and the resolutions on the surplus earning distribution and/or loss offsetting in accordance with these Articles and Applicable Laws, and for as long as the Company's shares are listed on the Designated Stock Market, such distribution may be effected by means of a public notice in accordance with the Applicable Law.
- 119. A printed copy of each of the Directors' report(s) or statement(s) to be submitted for adoption by the general meeting shall be kept at the Company's agent for stock affairs located within the ROC for inspection by the Members from time to time at least ten (10) days before the date of the annual general meeting, and laid before the Company at the annual general meeting.

AUDIT COMMITTEE

- 120. The Company shall establish an Audit Committee. The Audit Committee shall comprise solely of Independent Directors and the number of committee members shall not be less than three (3). One of the Audit Committee members shall be appointed as the convener to convene meetings of the Audit Committee from time to time and at least one of the Audit Committee members shall have accounting or financial expertise. A valid resolution of the Audit Committee requires approval of one-half (1/2) or more of all its members.
- 121. Notwithstanding anything provided to the contrary contained herein, the following matters require approval of the Audit Committee and final approval of the Board:
 - (a) adoption of or amendment to an internal control system;
 - (b) assessment of the effectiveness of the internal control system;
 - (c) adoption of or amendment to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others;

- (d) any matter relating to the personal interest of the Directors;
- (e) the entering into of a transaction that has material effect on the assets of the Company or a material derivatives transaction;
- (f) a material monetary loan, endorsement, or provision of guarantee;
- (g) the offering, issuance, or private placement of any equity-linked securities;
- (h) the hiring or dismissal of an attesting certified public accountant as the auditor of the Company, or the compensation given thereto;
- (i) the appointment or discharge of a financial, accounting, or internal auditing officer;
- (j) approval of annual and semi-annual financial reports; and
- (k) any other material matter so required by Applicable Law or the competent authority.

With the exception of item (j), any other matter that has not been approved with the consent of one-half or more of all Audit Committee members may be undertaken upon the consent of two-thirds or more of the members of the Board , and the resolution of the Audit Committee shall be recorded in the minutes of the Directors meeting.

- 122. Subject to the Statute, the accounts of the Company shall be audited at least once in every year.
- 123. The Audit Committee shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto; and he may call on the Directors or officers of the Company for any information in their possession relating to the books or affairs of the Company.
- 124. The statement of income and expenditure and the balance sheet provided for by these Articles shall be examined by the Audit Committee and compared with the books, accounts and vouchers relating thereto; and the Audit Committee shall make a written report thereon stating whether such statement and balance sheet are drawn up so as to present fairly the financial position of the Company and the results of its operations for the period under review and, in case information shall have been called for from Directors or officers of the Company, whether the same has been furnished and has been satisfactory. The Audit Committee may appoint, on behalf of the Company, a practicing lawyer and/or a certified public accountant to conduct the examination. The financial statements of the Company shall be audited by an auditor appointed by the Board in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the Members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the auditor should disclose this fact and name such country or jurisdiction.
- 125. Where a Director is or may be in breach of his duties and subject to and if permitted by Applicable Law, one or more Member(s) of the Company holding three-percent (3%) or more of the total number of the outstanding voting shares of the Company continuously for a period of one (1) year or more may request a member of the Audit Committee, if permitted by Applicable Law, to institute a lawsuit against such Director(s) on behalf of the Company in a competent court having jurisdiction,

including, if applicable, the Taipei District Court as the court of first instance. Where a member of the Audit Committee fails to institute a lawsuit against the Director(s) within thirty (30) days of receipt of such request from the Member(s), such one or more Member(s) of the Company holding three-percent (3%) or more of the total number of the outstanding voting shares of the Company continuously for a period of one (1) year or more, subject to and if permitted by Applicable Law, may initiate a lawsuit against the Director(s) on behalf of the Company in a competent court having jurisdiction, including, if applicable the Taipei District Court as the court of first instance.

126. To the extent permitted by the Statute, in respect of matters relating to or concerning the Audit Committee not otherwise specified in these Articles, the Applicable Law shall apply.

WINDING UP

- 127. If the company shall be wound up the liquidator may, with the sanction of a Special Resolution of the company and any other sanction required by the statute, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may with like sanction, vest the whole or any part or such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.
- 128. If the Company shall be wound up, and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. This Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

INDEMNITY

129. The Directors and officers for the time being of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and their heirs, executors, administrators and personal representatives respectively shall be indemnified out of the assets of the Company from and against all actions, proceedings, costs, chares, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act or omitted in or about the execution of their duty in their respective offices or trusts, except such (is any) as they shall incur

or sustain by or through their own breach of duties (in which case they shall become liable to indemnify the Company in accordance with Articles 88(b), 88(c) and/or 110(b)), willful neglect or default respectively and no such Director, officer or trustee shall be answerable for the acts, receipts, neglects or defaults of any other Director, officer or trustee or for joining in any receipt for the sake of conformity or for the solvency or honesty of any banker or other persons with whom any monies or effects belonging to the Company may be lodged or deposited for safe custody or for any insufficiency of any security upon which any monies of the Company may be invested or for any other loss or damage due to any such cause as foresaid or which may happen in or about the execution of the office or trust unless the same shall happen through the breach of duties (in which case they shall become liable to indemnify the Company in accordance with Articles 88(b), 88(c) and/or 110(b)), willful neglect or default of such Director, Officer of trustee.

FINANCIAL YEAR

130. Unless the directors otherwise prescribe, the financial year of the Company shall end on 31 st December in each year and, following the year of incorporation, shall begin on 1st January in each year.

AMENDMENTS OF ARTICLES

131. Subject to the Statute, the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

TRANSFER BY OF CONTINUATION

132. If the Company is exempted as defined in the Statute, it shall, subject to the provisions of the Statute and with the approval of a Special Resolution, have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

THE LAWS OF THE ROC

133. Notwithstanding any provision to the contrary herein, any Applicable Laws (other than the laws of the Cayman Islands) shall only apply to the maximum extent permissible under the laws of the Cayman Islands and the Statute.

DATED 23 AUG 2006

WITNESS to the above signature

(Sd.) **Toni Rombough**Of Scotia Centre, 4th Floor, P.O. Box 2804
George Town, Grand Cayman
Cayman Islands

I, **JOY A. RANKINE Asst.** Registrar of Companies in and for the Cayman Islands. DO HEREBY CERTIFY that is a true copy of these Articles of Association of this Company duly incorporated on the

REGISTRAR OF COMPANIES(SD.)

Appendix II: Procedural Rules of General Meeting of Members

GRAND OCEAN RETAIL GROUP LIMITED PROCEDURAL RULES OF GENERAL MEETING OF MEMBERS

CAYMAN ISLANDS GRAND OCEAN RETAIL GROUP HOLDING CO., LTD

Procedural Rules of General Meeting of Members

Article 1

Under the jurisdiction of Cayman Islands, shareholders meeting of the company shall comply with the related rules of it except there is any other regulation claimed by R.O.C. laws or the local stipulations at where the operating locations of the company are.

Article 2

The company should detail the check-in time of shareholders' acceptance, check-in location, as well as other announcements.

Check-in time of shareholders' acceptance as above should commence 30 minutes earlier than the meeting; check-in location should be indicated identifiably and sufficient as well as appropriate personnel should be assigned to deal with this matter.

The company should prepare a check-in book for the present shareholders to sign in, or the present shareholders can provide a sign-in card to complete the check-in procedure.

The company should submit the meeting handbook, annual report, attendance badge, speech note, votes and other meeting materials to the

shareholders who attend this general meeting. Also, if there is an election held for the board members, an additional vote should be attached.

When a juridical person is also the shareholder, representative attending the general meeting is not subject to only one person. When a juridical person is entrusted to attend the general meeting, only one person can be assigned for the attendance.

Article 3

Numbers of the shares for general meeting attendance are measured by the shares recorded on the check-in book or sign-in card plus the shares in written or electronic form when performing the voting rights. Shareholders should attend the general meeting by attendance badge, sign-in card or any other valid proof. The company is forbidden to arbitrarily request the provision of other certificates or documents further; the entrusted object by letter of authorization should bring his/her own ID certificate for verification.

Shareholders have to provide the letter of authorization issued by the company in the general meeting every time, explaining the authorization range to entrust the agent to attend the general meeting.

Each shareholder is able to provide one letter of authorization, and entrust one person only, which this letter should be delivered to the company 5 days prior to the general meeting. If there is any repeat of the letters, the one being received first will be accorded. Whereas any declaration made to invalidate the entrustee is not subject to this rule.

After the letter of authorization is delivered to the company, the shareholder who would like to attend the general meeting or to perform the voting rights via written or electronic form himself/herself, should inform the company about the entrustee revocation by written two days before the shareholders' meeting. If the revocation is overdue, then the entrustee will have the voting rights as authorized.

Chairman will announce the start of general meeting once the time has come. Whereas if the representative of the shareholder possessing over half of the issued shares total is still absent, the chairman will need to announce postponement for the meeting; however, the numbers of postponement are subject to two times, and the cumulative time in total of the postponement is restricted within one hour. If the representatives of the shareholder possessing over half of the issued shares total are still inadequate even after the postponement for two times, the chairman will announce to abort the general meeting.

Article 4

The company should record the sound or video of the entire process of

general meeting and preserve it for at least one year.

Whereas if a shareholder has been filed with a lawsuit by Article 189 of Company Act of R.O.C., then the record should be preserved until it ends.

Article 5

- 1. If the general meeting is coordinated by the board of directors, the agenda should be made by it. Also, the general meeting should be proceeded according to this agenda, and there should be no change unless being approved by resolution of the general meeting.
- 2. If the general meeting is coordinated by other rightful coordinator instead of the board of directors, the same rules described as above are also applicable.
- 3. Except for the one which has been voted by resolution of the general meeting, or the one treated by Article 14 of the Procedural Rules, the chairman is not able to announce the adjournment if the former two agendum (A.O.B. included) having been arranged are not finished yet, unless the resolution approved. Should the chairman violate the Procedural Rules and announce the adjournment, other directors of the board should promptly assist the present shareholders to elect a new chairman by at least half of the numbers of present shareholders' votes in order to continue the general meeting in accordance with the legitimate procedure.
- 4. Chairman should offer the opportunity for plentiful explanation and discussion to the bill as well as those amendments or A.O.B. proposed by shareholders. The chairman should cease discussion and propose a vote if he/she considers that the bill can be put into a vote already.

Article 6

- 1. Before a shareholder speaks, a speech note detailed with topic, shareholder account number (or attendance badge number) as well as account name must be filled in first, and the order of speeches will be determined by the chairman.
- 2. If a present shareholder only submits the speech note but does not speak, then it will be considered as an invalid speech. If the speech contents mismatch those on the speech note, then the former one will be accorded.
- 3. Numbers of speech for each shareholder due to a same bill are subject to two times, and five minutes for each, unless the chairman approves an exception. Yet the chairman should stop the speaking only if the shareholder speaker violates the related rules or exceeds the topic range.

- 4. When a present shareholder is speaking, other shareholder is not allowed to interrupt the speech unless the chairman permits the exception; any violations shall be immediately ceased by the chairman.
- 5. When the juridical person as a shareholder assigns two or more than two representatives attending the general meeting, only one of them is permitted to speak.
- 6. After the speech given by the shareholders, the chairman has to reply on his own, or designates the related personnel to respond.

Article 7 Unless there are specific laws or regulations to stipulate for the convention, shareholders meeting is to be coordinated by the board of directors of the company.

The company shall make the electronic files including notice of shareholders meeting, letter (paper) of administration, recognition case, topic discussion, electing or dismiss of the board member as well as cause and descriptions for each bill, and upload to Market Observation Post System 30 days prior to the general meeting, or, 15 days prior to the temporary meeting. Also, the company shall make the electronic files including handbook of the shareholders meeting as well as supplementary meeting information, and upload to Market Observation Post System 20 days prior to the general meeting, or, 15 days prior to the temporary meeting.

Reasons of convention should be detailed in the notice and announcement; electronic form used for the information above is permissible if the offeree approves.

Article 8

- 1. Voting of the shareholders' meeting should be measured based on the shares held.
- 2. Numbers of shares of those shareholders who do not have the voting rights will not be calculated into the total numbers of issued shares for the resolution in the meeting.
- A shareholder who has a self-interest relation with the topic in the meeting is considered to be suspiciously disadvantageous to the company, and is to be excluded of the voting; neither is his/her representative.
- 4. Numbers of shares which cannot be used for the voting as described above will not be counted as a part of total shares of the present shareholders.
- 5. Except for the stock agency approved by trust business or securities

authority, if a trustee is designated by two or more than two shareholders, his/her voting rights as a representative are not allowed to exceed in 3% of the voting rights by total issued shares; any exceedance shall be denial.

Article 9

Each share represents one voting right in volume for every shareholder, except for those who are subject to Article 179.2 as well as Article 197.1 of Company Act of R.O.C., listing as the ones who do not have the voting rights.

Article 10

When voting for a bill, it is considered to be an approval if at least half of the number of the present shareholders' votes give assent, except for some special circumstances subject to the specific laws or regulations. Chairman or the designated personnel shall announce the sum of voting rights of the present shareholders case by case when voting,

afterward shareholders shall vote for the bill case by case also.

If there is any amendment or alternative for the same bill, the chairman shall combine it with the original one and determine the voting sequence. If one of them has been approved, then the other bills will be considered as denied and a revoting will not be carried out.

Article 11

Inspector as well as teller in a bill voting are to be designated by the chairman; however, the inspector should be also a shareholder. Vote counting is subject to be implemented in the conference hall openly, and the voting results should be reported on the spot and be recorded.

Article 12

If election of directors of the board is held in the shareholders' meeting, then the related election rules as well as articles of the company should be followed, and the election results should be announced on the spot.

Votes of the election as describes above should be sealed and signed by the inspector; and to preserve them well for at least one year. Whereas if a shareholder has been filed with a lawsuit by Article 189 of Company Act of R.O.C., then the record should be preserved until it ends.

Article 13

- 1. A bill as well as resolution in the shareholders meeting should be recorded as a meeting minute, signed by the chairman, and sent to every shareholder in 20 days after the meeting. Compilation and issuance of the meeting minutes should be carried out by electronic form. Issuance of the shareholders meeting minute should be performed by the announcement in Market Observation Post System.
- 2. Meeting minutes should precisely include the year, month, day,

location, name of the chairman, resolution method, main aspects as well as results in the meeting process and it should be consistently preserved as long as the company continues operating.

- 3. Numbers of shares by approval or rejection for a bill, as well as the total shares, should be documented precisely in the meeting minutes.
- Article 14 1. When the meeting is proceeding, the chairman should revolve the
 - time and announce the break. Should there be any irresistible circumstances, the chairman will need to pause the meeting temporarily and announce the time when the meeting will commence again depending on the situation.
 - 2. If the place for meeting is not able to be used anymore and the meeting topics (A.O.B. included) are yet finished due to the agendum scheduled for the meeting, the resolution is to be made by the shareholders' meeting to find another spot to proceed with the meeting.
 - 3. Also the shareholders meeting is to comply with Article 182 of Company Act of R.O.C., and the resolution is made to either postpone the meeting in 5 days or to proceed.
- Article 14.1 If a member of the board of directors is the coordinator of the shareholders' meeting, then the chairman of the board should be the meeting chairman. If the chairman takes a leave or is not able to execute his duty out of some reasons, then the chairman should designate one of the board members to be the representative; also, if chairman of the board does not assign any representative, the board will choose one representative among themselves.

If the meeting is convened by other rightful coordinator instead of the board, the chairman should be this coordinator; and if there are two or more than two coordinators, they should choose one representative from among themselves.

The company is to assign the authorized attorneys, accountants as well as related personnel to attend the shareholders meeting.

- Article 15 Despite there being any contrary regulation or any law or regulation under the jurisdiction besides Cayman Islands, as well as any meeting procedural rules in the article, they are all under the maximum coverage of the Cayman Islands jurisdiction to be applicable.
- Article 16 Formulating and amending of the rules should be approved by the shareholders meeting and then validated.

Appendix III: Principles for Election of Directors

Grand Ocean Retail Group Limited Principles for Election of Directors

- Article1 Article 1: Cumulative voting method shall be used for election of the Directors at the Company. Each share shall have voting rights in number equal to the Directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article2 Article 2: Independent Directors shall be elected by the Company according to the corporate charter; the Independent Directors shall be elected along with Non-Independent Directors, where the numbers of candidates elected shall be calculated respectively. Election and qualification of an Independent Director shall comply with the local laws and regulations in the country where the Company is listed.

Election of the Company shall comply with the local laws and regulations in the country where the Company is listed. Any certificates in regard with other conditions by qualification shall not be arbitrarily supplemented, and the outcomes of examination of qualification shall be provided to the shareholders for reference, to elect the most adequate Directors.

If a Director is dismissed making the Board less than 5 Directors, the Company shall convene the by-election for it at next shareholders meeting. However if the vacancy of the Board approaches one-third of the total chairs specified in the corporate charter, a temporary shareholders meeting shall be convened for the by-election within 60 days of the occurrence.

If the number of Independent Directors is less than the stipulation of Article 14-2, Paragraph 1 of the Securities Exchange Law of the country where the Company is listed, as well as the relevant provisions of the Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings, the by-election shall be held at the most recent shareholders meeting. If all the Independent Directors are dismissed, a temporary shareholders meeting shall be convened for the by-election within 60 days of the occurrence.

Article 3: Election of the Directors of the Company is based on the quota stipulated in the charter of the Company, and the voting rights of Independent Directors and Non-Independent Directors are calculated separately, where those who with more voting power represented by the votes obtained shall be elected sequentially. If there are at least two candidates to obtain the same votes, these candidates who have the same votes will need to draw the lots, the Chairperson

shall draw the lots for those who are not present.

Spouse or relative within the second-degree of kinship to a Directors shall not be more than half of the chairs among the Directors of Board.

The overall arrangement of the Board shall be taken into consideration for the election of the Directors of the Company. Diversity shall be taken into consideration to the composition of the Board of the Directors, where the functions, operating patterns and requirements by development itself shall be used as the concept to stipulate the policies of diversity, which include but not limited to the two material norms as follows:

- 1. Fundamental conditions and values: Gender, age, nationality and culture.
- 2. Professional knowledge and skills: Professional backgrounds (e.g. law, accounting, industry, finance, marketing or technology), professional skills, industry experience, etc.

All the Directors of the Board shall at least possess the knowledge, skills and accomplishments for performing the duties thereof, which include as follows:

- 1. The ability to make judgments about operations.
- 2. Accounting and financial analysis ability.
- 3. Business management ability.
- 4. Crisis management ability.
- 5. Knowledge of the industry.
- 6. An international market perspective.
- 7. Leadership ability.
- 8. Decision-making ability.
- Article4 Article 4: Before the start of the election, the chairperson shall appoint a number of scrutineers and tellers with shareholder status to perform all relevant tasks.

 The ballot box for the election is prepared by the Board of Directors of the Company and shall be opened for inspection by the scrutineers before the vote.
- Article 5: The ballot papers are prepared by the Board of Directors with the same number of Directors as the number of Directors to be elected, and distributed to shareholders who attend the shareholders meeting. The voter's name shall be replaced by the number of the attendance card printed on the ballot paper, as well as the vote weights thereof is marked.
- Article6 Article 6: If the person to be elected is a shareholder, the voter shall fill in the name of the elector and the account number of the shareholder of the elector in the "Elector" column on the election ballot. If the person to be elected is not a shareholder, the name and ID number thereof shall be filled in.

- Article 7: When the government or juridical person shareholder is the party to be elected, the name of the elected party on the ballot box shall contain the name of the government or juridical person, as well as the name of the government or juridical person and its representative; when there are several representatives, the name of each representative shall be added.
- Article8 Article 8: A election ballot shall be considered to be invalid if there is any circumstance occurring as follows:
 - 1. A ballot that does not comply with Article 5.
 - 2. Numbers of the persons to be elected exceeds the quota.
 - 3. Other words are written on a ballot besides the name (account name), account number or ID no.
 - 4. Illegible writing which is difficult to identify, or, altered writing.
 - 5. If the filled elector is a shareholder, the account name and shareholder account number do not match the shareholder's registration, or, if the filled elector is a non-shareholder identity, the name and ID number do not match.
 - 6. A blank ballot which is not yet written by the voter.
 - 7. A ballot which is not put into the ballot box.
 - 8. The total voting power voted by the elector exceeds the total voting power held by the elector.
 - 9. Those who are filled with the name of the elected person are the same as those of other shareholders but have not filled in the shareholder account number or ID number for the identification.
- Article 9: After voting is finished, announcement shall be immediately made for the election results, which shall be announced on the site by the Chairperson. Ballots of the election described as above shall be sealed and signed by the inspector, and be stored well for at least one year. Whereas if a shareholder has been filed with a lawsuit by Article 189 of the Company Act of R.O.C., the record shall be stored until the lawsuit ends.
- Article 10 Article 10: The Board of Directors of the Company shall issue notifications to the persons elected as Directors.
- Article 11 Article 11: The Principles, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Appendix IV: Influence of Issuance of Bonus Shares This Time upon Operational Performance, Earnings per Share as well as ROI of Company

Currency: NTD (thousand)
Earnings per Share in NTD

		Year	2020
Item			
Beginning Paid-in Capital			195,531,000
Dividends	Cash Dividends per Shar	2.2	
Distribution of	Shares Distribution by Ea	0	
This Year	Transferred to Capital Inc		
	Shares Distribution by Ea	0	
	Capital Transferred to Ca	pital Increase (share)	
Variance in	Operating Income (Note		
Operating	Increase (decrease) Ratio of Operating Income from		
Performance	Comparison with Same F		
	Net Income after Tax		-
	Increase (decrease) Ratio of Net Income after Tax from		Inapplicable
	Comparison with Same Period Last Year		(Note 2)
	Earnings per Share		_
	Increase (decrease) Ratio of Earnings per Share from		
	Comparison with Same Period Last Year		_
	Average ROI Annual (inverse of average PER)		
Pro Forma	If Cash Dividends	<i>Pro Forma</i> Earnings per	
Earnings per	Distribution by Total of	Share	_
Share as well as	Capital Increase	<i>Pro Forma</i> Average ROI	
PER	Transferred from	Annual	
	Earnings		_
	If Capital Increase	<i>Pro Forma</i> Earnings per	
	Transferred from	Share	_
	Additional Paid-in	<i>Pro Forma</i> Average ROI	Inapplicable
	Capital Undone	Annual	(Note 2)
	If Additional Paid-in	Pro Forma Earnings per	
	Capital Undone as well	Share	_
	as Cash Dividends	Pro Forma Average ROI	
	Distribution by Total of	Annual	
	Capital Increase		
	Transferred from		
	Earnings		

- Note 1: Shares distribution as well as 2020 dividends distribution are estimated in accordance with the board resolution on APR 30,
- 2020. After the shareholders' meeting gives the approval this year, they have been carried out by the related rules.

 Note 2: According to "Criteria Governing the Public Disclosure of Financial Forecast Information by Public Companies" of R.O.C., the company need not open the information concerning 2020 financial prediction.

Appendix V:

- I. Proposal Descriptions for Shareholders Meeting:
 - 1. According to Article 33 of the company, any shareholder who has 1% or more than 1% of the issued shares should submit in writing to our company for attending the shareholders' meeting.
 - Proposal application of the shareholders' general meeting 2020 is under acceptance, which the term is from April 10, 2020 to April 20, 2020, and has been announced in the Market Observation Post System.
- II. No proposals from the shareholders are submitted during the term of proposal submission of the company.

Appendix VI: Shares in Hand of Every Director of the Board

Grand Ocean Retail Group Limited
Shares in Hand of Every Director of the Board

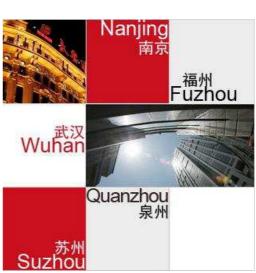
Book Close Date: April 19, 2020

Title	Name	Shares in
		Hand
Chairman	GUO RENHAO	0
Board of	First Steamship Co., Ltd.	7,226,000
Directors	Representative: HUANG QINGHAI	2,600,000
Board of	First Steamship S.A.	91,560,000
Directors	Representative: ZHANG JINGUO	
Board of	LEE SENG CHAY	0
Directors		
Independent	YEE SWEE CHOON	0
Director		
Independent	TIE JINGZHI	0
Director		
Independent	JIANG SHUHUI	0
Director		
Total		101,386,000

Note1: The company need not apply with Article 26 of R.O.C. Securities Exchange Act.

Note2: The company has deployed the audit committee itself, therefore the regulations concerning the inspector as also a shareholder as well need not be applied.

Note3: The sums of issued shares of the company as of April 19, 2020 are 195,531,000 shares





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